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RUSSIAN FOREIGN POLICY AND THE WESTERN WORLD

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Current History

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In the second half of the twentieth century, the American labor movement is at peak strength, industry is expanding, and the Gross National Product is moving toward a half trillion figure. The role of the Government in the field of labor-management relations is changing, but its outlines have been set by our constitutional framework and by the history of government's role in the national economy. In this issue, seven specialists explore this history and evaluate the role of Government. How does the Eisenhower Administration see its function? As the Secretary of Labor points out in our first article, the Government's "most appropriate and most effective role is as provider of impartial services and the legal framework which labor-management relations in a free economy require."

Government and Labor in the Eisenhower Administration

By James Mitchell

United States Secretary of Labor

On February 2, 1953, the newly elected President of the United States—Dwight D. Eisenhower—went before the two Houses of the Congress for the first time. This was his initial State of the Union message. Among several important policy pronouncements of the new Administration, the President included the following:

> . . . the institutions of trade unionism and collective bargaining are monuments to the freedom that must prevail in our industrial life. They have a century of honorable achievement behind them. Our faith in them is proven, firm and final.

This Administration's policy is one of full faith in the free institutions of labor and management and the relationship between them. That policy contains two essentials:

First, the collective bargaining best for the nation is based on the broad mutuality of interest shared by employer, employee and consumer, that is, by management, labor and the public.

The second essential involves a recognition of the basic concept that Government has three important, practical functions in the labor-management area. First it creates, through fitting legislation, a framework of laws within which collective bargaining can freely operate to the best advantage of all. Secondly, it renders service and assistance to collective bargaining—by providing voluntary mediation services and by describing the general economic situation of the nation through fact-gathering and publishing. And thirdly, Government contributes to sound labor-management relations by the promotion of good will and understanding between interested parties. It also is the guardian of the public interest, reserving its powers of more direct action to those cases in which the national interest is clearly endangered. Government is, at all times, an active contributor to the progress of the collective bargaining relationship.

A continuing contribution is that of serv-

ice. This takes many forms. Mediation and conciliation services are made available to bargaining parties. Other governmental services extend beyond the scope of mediation. Statistical work engaged in by Government provides an accurate general description of our economic situation in regard to employment, unemployment, wages, prices, hours, labor turnover and other data and these form a reliable background to the discussion of specific conditions in an industry.

Beyond the area of technical contribution, Government encourages sound industrial relations by a continuing program of education and promotion, including publications, speeches by appropriate officials before interested groups, and newspaper and magazine releases and articles dealing with various aspects of our economic life.

Another more indirect aspect might be noted. When the Government is promoting and encouraging industrial safety standards, or discouraging discriminatory hiring practices, or developing ideas for more effective training of workers, it is clearly promoting sounder labor-management relations, although protection of the rights and skills of individual workers may be the most immediate objective.

Labor Legislation

Government is also responsible for the framework of laws which surrounds and supports the collective bargaining process. The long history of industrial relations in America has demonstrated that well-constructed labor law is not only desirable in terms of the national interest, but that it has made an effective contribution to the economic and social progress of both labor and management over the years. It establishes the type of environment which allows both sides to engage freely in the give and take of collective bargaining.

It is imperative, of course, that such legislation be written and administered with two basic concepts in mind. The first is the protection of the general public, of the collective bargaining relationship itself, and of the individual worker, against possible abuse of the power in the hands of management and labor officials. The second is a delineation of the Government's role consistent with its advocacy of free collective bargaining and a free society. These have been the controlling ideals of the Eisenhower Administration's recommendations for legislation affecting labor and management relations.

Legislation aimed at curbing the abuse and misuse of power in the labor-management relations field has occupied the attention of the recent Congress. Corruption in the labor-management relationship has been demonstrated by a long series of public disclosures. It has become apparent that legislation is needed to protect the interests of union members against the abuses of a very few corrupt men. As to the form of the legislation, the Eisenhower Administration has advocated a program that emphasizes the reporting of union financial affairs and payments made to influence the bargaining relationship, and that changes the existing Labor-Management Relations Act to bring an end to practices like blackmail picketing and secondary boycotts that give rise to violence and present opportunities for expansion to corrupt leaders.

Certain groups and individuals believe that measures more severe than federal labor reform legislation are in order, and therefore have supported the enactment of so-called state "right-to-work" laws which prohibit the union shop. The 1947 Taft-Hartley Act recognizes the legality of union shop agreements. However, it also allows the individual states to render them illegal, through a "right-to-work" law, if they choose to do so.

Needless to say, this issue is the subject of great contention. Those who would cure abuses of power within the labor-management structure by restricting the ability of unions to organize have supported "right-to-work" proposals in several states. On the other hand, many including myself agree with the considered view of the late Senator Robert A. Taft, who said:

> It would be a mistake to go to the extreme of absolutely outlawing a contract which provides for a union shop, requiring all employees to join a union, if that arrangement meets with the approval of the employer and meets with the approval of a majority of the employees and is embodied in a written contract.

Perhaps Government's main role in fostering sound labor-management relations is on a broader scale than is usually described. As one of the powers of a free society, Govern-

ment can exert itself most effectively to improve the entire condition in which labor-management relations exist. It does this by administering appropriate laws fairly and effectively. It also does this by constantly surveying and suggesting improvements in labor standards. Thus it operates on a legislative and administrative level, and the result of this operation is a constantly improving status for working men and women, a status from which they can bargain with greater freedom and stability.

A record of progress along these lines is itself an indication of growing stability in the bargaining process. The record of the Eisenhower Administration is an excellent one, and indicates the improvement made in the condition of our labor-management structure, an improvement that aids and forwards sound bargaining. Some highlights from that record are:

LABOR STANDARDS: The federal minimum wage under the Fair Labor Standards Act was increased to $1 an hour in 1955, and the measure took effect on March 1, 1956. Improved safety measures have been consistently proposed. A law directing the Secretary of Labor to set and enforce safety standards in the longshoremen's industry was passed by the Eighty-fifth Congress. A consistent effort has been made to include labor standards provisions in all legislative measures involving federal financial assistance to construction, and such provisions have been included in a number of them. Finally, this Administration has repeatedly proposed revision of the outmoded eight-hour laws into a single, up-to-date law.

UNEMPLOYMENT AND WORKMEN'S COMPENSATION: During President Eisenhower's Administration, unemployment insurance coverage has been extended to seven million additional workers, bringing the total covered to 43 million. Further extensions beyond this have already been proposed. During the 1957–1958 recession, a program of temporary, additional unemployment compensation was proposed and enacted, and was extended in the spring of 1959. Some 2.5 million federal workers have been brought under a specific program of unemployment compensation. A permanent unemployment insurance system for ex-servicemen has been enacted, and improvements in railroad unemployment provisions have been actively supported and achieved.

The Administration has consistently urged improvements in workmen's compensation laws. During the Eighty-fourth Congress weekly benefits were increased, and benefits for permanent physical losses under the Longshoremen's and Harbor Workers' Compensation Act were provided. Temporary provisions of laws providing compensation benefits for injuries and deaths of certain United States employees overseas have been made permanent.

FARM LABOR: The Department of Labor has initiated a complete study of agricultural labor to determine the advisability of possible legislative action to provide an adequate wage for underpaid members of this segment of the labor force. The benefits of the Social Security program have already been extended to the domestic migrant farm worker. The Interstate Commerce Commission has issued sound safety standards to govern interstate transportation of these workers. In addition, the Administration has asked for legislation which would require that leaders of migrant crews be registered, a measure which would severely curb a major source of exploitation of these workers.

SOCIAL SECURITY: President Eisenhower and the Eighty-third Congress worked hand in hand to secure the extension of social security coverage to over ten million additional Americans, one of the most notable achievements in the field in decades. Benefits under the old-age, survivors and disability system have increased by about seven per cent, and public assistance programs have been liberalized. Measures to facilitate state action under the program were adopted. Employees of certain tax-exempt organizations came under coverage, and a longer period of time was granted for the filing of disability claims.

LAW ENFORCEMENT: Three of the most important labor laws, all enacted before the start of the Eisenhower Administration, are the sole enforcement responsibility of the Department of Labor. A brief consideration of the Department's record with regard to this responsibility will serve to characterize this Administration's attitude toward the matter of enforcement.

The three Acts are Fair Labor Standards, Walsh-Healey and Davis-Bacon. The first applies to employers and employees engaged in interstate commerce or in the production of goods for interstate commerce. It sets a minimum wage, requires at least one and one-half times the employee's regular rate of pay for all hours worked over 40 hours a week and restricts child labor. Walsh-Healey applies to any work done in conjunction with government supply contracts. It provides time-and-a-half wage payments for overtime, prohibits home work, convict labor, and child labor on the contracts, and requires payment of the prevailing minimum wage—as determined by the Secretary of Labor—in a given industry. Davis-Bacon and related acts relate to government construction contracts, and authorize the Secretary to determine prevailing wage rates according to occupation and geographical area.

Enforcement Record

The record of enforcement proceedings under Fair Labor Standards and Walsh-Healey, considered jointly, reveals the following comparisons. During the five fiscal years 1948 through 1953, a total of 3,614 cases were instituted, and $1,338,381 in wage restitution was secured for the workers involved. These totals rose, during the years 1953 through 1958, to 4,376 and $3,697,284 respectively. The number of persons and corporations placed on the ineligible list for government contracts as a result of flagrant violations of the laws rose from 43 to 74 for the two compared periods.

Here is the record on Davis-Bacon and related acts. During the five fiscal years 1948 through 1953, a total of 608 cases were instituted and wage restitutions totaling $491,199.61 were secured for workers. In the 1953–1958 period, these totals rose to 3,056 cases and $1,318,475.58 won in wage restitutions. Parties placed on the ineligible list for government contracts went from 12 to 197 for the compared periods, and the total number of wage determinations from 79,705 to 118,517. This is a record of work and effort in behalf of America's working men and women of which this Administration is especially proud.

James P. Mitchell was appointed Secretary of Labor by President Eisenhower in 1953, after a distinguished career in the public service. From 1942 to 1945, he was director of the industrial personnel division of the Headquarters of the Army Services Forces; thereafter, he returned to private industry until 1953, when he became an assistant secretary of the Army.

Time Lost through Strikes

It is indeed difficult to measure the effectiveness of any national labor-management relations policy because of the innumerable aspects to be assessed. One important indicator would be the amount of work lost through strikes. In this respect, the years of the Eisenhower Administration show a remarkable record.

Compare the average number of man-days idle by virtue of strike activity for the six-year period 1947 through 1952 with the average for the first six years of the President's incumbency. Such a comparison reveals a decrease from an average of 40 million man-days idle per year to 25.4 million. These figures are even more impressive when one considers the fact that the total number of American workers has been consistently increasing with the years. In the years 1952–1958, idleness as a per cent of the estimated working time of all workers ranged from 0.14 to 0.29 per cent; in only 1 of the preceding 6 years was the per cent of time lost through strikes less than 0.29 per cent. Whatever reasons one may ascribe to the relative decline in strike idleness, it seems obvious that labor-management relationships on the whole achieved a higher level of stability during the past six years than had been the case before.

In 1955, the A.F.L. and C.I.O. merged into one united federation; a merger which promised to produce a strong, vibrant labor movement, unmatched in this nation's history or in the world. In that same year, 1955, it happened also that business entered into a period of ascendancy never before experienced in the peacetime history of our nation. The United States Gross National Product

(*Continued on page 145*)

LABOR–GOVERNMENT RELATIONS HERE AND ABROAD[1]

COUNTRY	LABOR	GOVERNMENT
BRITAIN	A strong trade union movement promotes the interests of the workers. Labor has a strong political tie to the Labor party, which the trade unions created. Unions are consulted by the government on all policies affecting workers; union representatives sit on a tripartite board with government and management delegates. Unions deal directly with employers in collective bargaining. There is limited compulsory arbitration, if either side requests it. Nationalized industries regulate their own wages and working conditions.	Government-union differences have been over wages. The government has tried to halt inflationary wage increases. There is little government interference in labor-management disputes. The government has no effective control over arbitrators to a dispute, who have independent status. It has little control also over wage councils or boards which regulate wages and working conditions in industries with weak labor or management. The government is limited to persuading arbitrators, employers and trade unions to influencing the general economic situation.
FRANCE	Unions are weak; they are many and conflicting. Unions rely on government and industry paternalism. Unions have some political influence with the government.	The government has a vital role in the economy as planner, investor, and partial employer. The national Code of Labor regulates all labor-management relations. The government sets wage norms and working conditions in private industry. The right to bargain collectively is also government regulated.
GERMANY	Unions are divided according to industry and to regions, so they do not have much power. Co-management system permits elected labor representatives to sit on Boards of Directors and Boards of Managers, and to participate within each industry in management and business decisions. Joint associations of employers and employees fix wages.	The federal constitution outlines the relations of employers and employees between themselves and with the government. The government has not directly intervened, but relies on persuasion to influence employer-union wage agreements. The government may declare employer-employee association agreements generally binding even on businesses not members of an association.
U.S.S.R.	Weak unions carry on welfare and paternalistic activities. They do not promote the workers' interest; their main purpose is to further production. Industrial employees have been given some degree of democracy by being allowed to share in plant management (cf. Germany). Unions have no part in wage setting. Unions act as agents of the state in labor management relations.	The government and the Communist party dominate management and the unions. The state claims that its interests are those of the workers.
JAPAN	Unions have resorted to political extremism, because postwar attempts to build a democratic trade unionism have been abandoned. A remaining democratic element is the Labor Relations Commission, which is free of government pressure and solves many disputes through "voluntary conciliation."	The government has reasserted an anti-labor policy, favored by business, and has intervened more and more in labor disputes. The state regulates the economy; as in France, it is planner, employer, investor.
DEVELOPING ECONOMY	There is usually little industrialization, low productivity and few jobs so that no trade union movement has yet arisen.	Governments are weak, with little administrative competence. Governments tend to initiate welfare programs too burdensome for their economic productivity.
UNITED STATES	Labor is strong and politically and economically powerful (rights and privileges have been legislated by the government). Labor uses political influence to gain government support. Collective bargaining is guaranteed by law; there is a minimum of government interference. A National Labor Relations Board and state boards can hear labor-management disputes.	The government is responsible for strengthening both workers and unions (cf. Britain), and has established some minimum working conditions and wages, and maximum hours. Government regulation of labor and management is limited by the federal form of govment, the division of powers between federal and state governments.

[1] See our August, 1959, issue on *Government and Labor Abroad.*

As this historical review points out, "the dominant theme of the [nineteenth] century was freedom in economic affairs. Even when the laborer turned to the government for support he did so reluctantly and with modest demands." Not until the 1930's was the government to take an active role in strengthening the labor union movement. Then, "the new departure in labor policies that came with the New Deal was to follow the fundamental pattern of labor development and government control which had evolved over the generations. The lessons and missed opportunities of the nineteenth century were not forgotten."

Government and Labor Before the New Deal

By Dewey W. Grantham, Jr.
Associate Professor of History, Vanderbilt University

Governmental intervention in the nation's economic life has been a conspicuous feature of the twentieth century social and political revolution in America. One of the significant aspects of this intervention is reflected in the development of public policies governing labor relations. Although the most important of these labor measures are a product of the last quarter century, their roots penetrate deep into our past and in some cases reach back to European antecedents. If the twentieth century became the anvil on which modern labor policies were shaped, the nineteenth was the furnace in which the elements that went into those policies were heated and tested.

The government exerted certain controls over labor relations in the colonial period, when wages, hours and prices were often regulated. After the Revolution many of these controls were relaxed, and the *laissez-faire* ideals of the nineteenth century offered a *raison d'être* for the long period in which it was thought unnecessary to legislate in such matters. But in spite of all the talk about *laissez-faire,* various contending social and economic groups sought government aid of one kind or another. When laboring men began to organize for self-protection and advancement during the first half of the nineteenth century, their employers turned to the state for legislative assistance, police interference in labor conflicts and favorable judicial decisions. They appealed to the courts with telling effect under the common law doctrines of conspiracy and restraint of trade. Although the laboring force in nineteenth century America had almost no voice in determining the course of economic development, workingmen also made demands on the government, and with some success. In addition to obtaining the ballot, they gradually won concessions in such areas as free public schools, mechanics lien laws and the abolition of imprisonment for debt.

Yet the dominant theme of the century was freedom in economic affairs. Even when the laborer turned to the government for support he did so reluctantly and with modest demands. Faith in the rugged individualism of a frontier society remained

Dewey W. Grantham, Jr., has written many articles on modern America and is the author of *Hoke Smith and the Politics of the New South* (1958). A Guggenheim Fellow and the recipient of a Social Science Research Council Faculty grant, he is presently writing a history of the Progressive Movement in the South, 1900–1920.

strong. In the Jackson era, for instance, organized workers responded warmly to the Jacksonian attempts to free enterprise from government-fostered monopolies and regulatory restraints, and to put every man on his own in the race for economic success. Since the government had usually been on the side of wealth, liberation from governmental interference seemed to be all that was needed in a country of boundless frontiers and unlimited opportunities. Indeed, workingmen were so bemused by this vision of entrepreneurial democracy that they continued to adhere to the old ideals on which it rested long after the industrial revolution ushered in profound changes in the nation's economy and their place in it.

The New Industrialism

The role of the laboring man was increasingly restricted by the new industrialism that transformed the United States during the second half of the nineteenth century. It placed great emphasis upon mechanization and specialization, called into being larger and more costly units of production, brought the emergence of the giant corporation as an employer, nationalized transportation and business, and tended to dehumanize modern capitalism. As the industrial worker was accommodated to the machine and deprived of his old functions as manager, salesman and craftsman, he found that he had only his labor to sell. He had become the basis for a permanent wage-earning laboring class.

Labor was slow to reconcile itself to the new situation. It experimented with trade unionism, tried independent politics and sought to destroy or escape the wage system by embracing various political and economic movements designed to promote the ownership of production. The National Labor Union, described by one historian as "half trade and half political," is a good example of the confusion and uncertainty that characterized the efforts to organize labor in the nineteenth century.[1] The N.L.U. focused much of its attention on land and currency reforms, and on plans for co-operative production. But this first effort at a comprehensive labor organization for the entire country disintegrated in an abortive political endeavor, amidst the conflicting philosophies of its members. The Noble Order of the Knights of Labor, whose spectacular successes in the mid-1880's marked it as a more significant effort to organize one big union, was equally humanitarian and reformist in outlook.

As time passed it became more and more obvious that labor would have to organize on a nation-wide basis if it were to meet the challenge of nation-wide industry. The failure of the utopian schemes sponsored by groups like the Knights of Labor helped labor to clarify its aims and contributed to the success of the "pure and simple" unionism of the American Federation of Labor. The A.F.L. leaders were practical men who tried to develop a powerful economic organization; they stressed wage consciousness, craft unionism, the organization of skilled workers and a determination to refrain from direct political action. They recognized the essential conservatism of the worker and appreciated the difficulties that prevented the formulation of equitable public policies in the realm of labor affairs.

The typical worker, convinced that American society remained fluid, accepted private property and approved of capitalistic enterprise. Since he possessed political rights, he could not entirely discount the possibility of ameliorative action by the state. But the government's attitude toward post-Civil War business was too benevolent to inspire much hope in state assistance on the part of such men as Samuel Gompers. State and local governments had often used their powers to help industry in conflicts with labor; the conservative rulings of state courts had consistently reflected a strong bias against labor; and the intervention of federal troops in great industrial clashes after 1877 and the decisive entrance of federal courts into labor disputes near the end of the century appeared to confirm labor's contention that business controlled government.

By 1900, the American Federation of Labor had demonstrated the strength of the new unionism. Yet few unions could meet employers on anything like equal terms. Wages remained low and hours were long even for skilled workers. Labor was still viewed as a commodity to be purchased

[1] For the story of "Labor's Role in American Politics," see *Current History*, June, 1959, pp. 321 ff.

at the cheapest rate possible; its right to organize and bargain collectively remained very much in doubt. Despite labor gains in the latter part of the nineteenth century, industry continued to set labor conditions and to have at its disposal a powerful arsenal of anti-union weapons, including the blacklist, iron-clad oaths, Pinkerton detectives, state militia and court injunctions. Labor legislation that protected the rights of the workers and advanced their welfare had made little progress. Government was drawn inexorably into labor-management relations, but what its role should be was by no means clear.

The Progressive Movement

The experiences of the nineteenth century form an important chapter in the history of the labor movement in America and in the evolution of public policy in the field of labor relations, but three developments of the twentieth century—the Progressive Movement, the first World War and the onset of the Great Depression—are far more significant. The widespread liberal movement that dominated the first decade and a half of the new century sought to overthrow the political bosses and special interests, to democratize the political process and to promote social justice, even if it meant the abandonment of old *laissez-faire* concepts in favor of more positive government. The spirit of reform that pervaded the period and the prosperity that encompassed it benefited workingmen in many ways and stimulated the growth of organized labor.

Better disciplined and more effectively led, organized labor increased its membership from 868,500 in 1900 to more than 3,000,000 in 1917. But union gains were not always evenly registered during these years, for a strong industrial counterattack stopped the march of organized labor between 1904 and 1911. Nor did the philosophy and methods of the A.F.L. satisfy the needs of all workers. The Federation's neglect of the mass of unskilled workers and its opposition to industrial unionism probably explain the appeal of radical unions like the Industrial Workers of the World during the Progressive era. Yet the significant point is that organized labor, dominated by the A.F.L., developed rapidly during this period, laying a firm foundation for a powerful labor movement in future years.

The role of the government in labor affairs, influenced by reform currents and progressive leaders, underwent a remarkable change. In 1902 President Theodore Roosevelt startled the nation by intervening on the side of the miners in the famous anthracite coal strike. Labor's influence in politics also began to grow. The A.F.L. turned to politics in part because of pressure from the Socialists, who were urging the advantages of political agitation upon workingmen. The Federation was also worried by management's vigorous open-shop campaign and by the use of the Sherman Act in the notorious cases involving the Danbury Hatters[2] and Buck's Stove and Range Company.[3] In 1906, A.F.L. leaders formulated a document known as "Labor's Bill of Grievances," which contained most of labor's traditional political demands and emphasized its desire for the exemption of labor unions from the Sherman Act and relief from injunction. The labor organization attempted to influence the congressional elections of 1906, endorsed William Jennings Bryan for the presidency in 1908 (after the Democrats included several labor planks in their platform) and used its weight for Woodrow Wilson in 1912. Wilson's election seemed to promise a new day for labor in national political affairs.

The large body of labor legislation enacted during the Progressive period provides striking evidence of the new role of government in labor matters. In response to the awakened sense of social responsibility that progressivism embodied, state legislatures adopted measures restricting child labor and regulating the work of women, providing for factory and mine safety, establishing employer liability laws and workmen's compensation systems, and setting maximum hour and minimum wage limits. Some of these measures were declared unconstitutional as a violation of freedom of contract, but even the courts gradually began to reflect the liberalism of the period and to sustain such legislation.

The federal government, especially during the Wilson administration, also added

[2] See Loewe v. Lawler, 208 U.S. 274.
[3] 221 U.S. 418.

greatly to the labor laws on the statute books. Two measures, in 1908 and 1916, were enacted to establish a workingmen's compensation system for federal employees. The Sixty-second Congress (1911–1913) set up an Industrial Relations Commission "to discover the underlying causes of dissatisfaction in the industrial situation," and provided for a separate Department of Labor. William B. Wilson, a labor leader who had once belonged to the Knights of Labor, was appointed to head the new department. During the next few years an impressive list of labor measures was enacted, including two laws to abolish child labor, an eight-hour day for all federal employees, the La Follette Seaman's Act, the Adamson Act providing for an eight-hour day for interstate railroad workers, a literacy test to restrict immigration, and the "Magna Carta" of labor—the Clayton Act of 1914—which exempted labor from the antitrust provisions of the Sherman Act and restricted the use of injunctions. By 1917 organized labor had advanced to new heights of power and prestige.

World War I

The imperative mobilization of the world's mightiest economy for modern war led to sweeping governmental controls. Manpower was affected as well as materials. Organized labor gave strong support to the nation's war program in 1917–1918, but the war brought labor its own reward in the form of a great opportunity for advancement. The Wilson government, having made clear its sympathy for labor during the previous four years and being determined to prevent work stoppages that would imperil the war effort, threw its great powers to labor's side in exchange for the workers' co-operation. Trade union standards were enforced in government contracts, labor representatives were appointed to various government commissions and agencies, and Gompers himself was made a member of the Advisory Commission of the Council of National Defense.

Although the rising cost of living and labor insecurity resulted in many strikes in 1917, the next years brought the establishment of new labor policies by the government and other concessions that promoted industrial peace. In the spring of 1918, President Wilson established a National War Labor Board, to serve as a court of last resort in handling labor disputes, and a War Labor Policies Board, to unify labor policies on wages and hours in the war industries. The principles and policies adopted by the war agencies to govern labor relations were of unprecedented importance. Many of them have a very modern ring. Among the most significant were the following: the abandonment of strikes and lockouts for the duration of the war; recognition of the right of employers and workers to organize and engage in collective bargaining; maintenance of union standards in union shops, with freedom for workers to join or refrain from joining unions in other establishments; equal pay for women doing the same work as men; maintenance of the basic eight-hour day where required by law; and the right of all workers to a living wage.

The state governments were less sympathetic in their approach to labor relations, sometimes resorting to court injunctions and military authority to break strikes. But in general labor made sweeping economic and social gains during the war. Real wages increased, the eight-hour day was adopted for the first time in many industries, and union membership increased to more than four million workers. Significant legislative gains were made on the state and national levels.

Organized labor came out of World War I in a militant mood, determined to maintain the concessions it had won during the past few years. It was soon involved in a wave of strikes as workers tried to keep up with the rising cost of living. A series of great industrial conflicts became the focus of national attention. Most of the strikes were expressions of legitimate grievances, but by the fall of 1919 the postwar disillusionment and the national hysteria resulting from the "Red Scare" had convinced millions of Americans that the country was threatened by revolution and that organized laborers were the minions of the Bolsheviks. State governments enacted syndicalist legislation and the Wilson administration cracked down on radicals, lending its support to management. The Red Scare soon came to an end, but it was an important factor in the labor losses of the postwar years and it helped give organized labor a bad name.

The Twenties

The decade of the 1920's found American labor in retreat. Union membership declined from about five million in 1920 to three and one-half million in 1929. In a period of general prosperity and political conservatism, organized labor had little influence at the conference table or in the legislative chamber. The circumstances of the postwar setback—depression, strike losses, government hostility and reaction against radicalism—hurt the cause of labor at the very outset of the period. Prosperity itself convinced many workers that independent unions were unnecessary and labor tended to accept the basic philosophy of the New Era. The number of strikes per year declined steadily during the 1920's and labor, reflecting the A.F.L.'s conservative leadership, matched the efforts of management to promote co-operation. The employers, led by the National Association of Manufacturers, launched an energetic campaign to restore the open shop through the so-called "American Plan," and resorted to such tried and true anti-labor practices as the yellow-dog contract and labor spies. Management also sought to remove the causes of labor unrest by making use of "welfare capitalism," which one writer has aptly defined as an effort to kill the labor movement with kindness! Thus employers tried to promote co-operation in the field of industrial relations by improving working conditions and by establishing recreational programs, profit-sharing devices, group medical and insurance programs, shop grievance committees and company unions.

Another element in labor's decline was the role of the government and the courts. The passage of progressive labor measures came to a halt and labor's endorsement carried less weight than in the previous decade. The railroad brotherhoods, for instance, advocated the nationalization of the railroads and the A.F.L. endorsed the plan, but it got nowhere in Congress. The conservative federal and state governments that generally prevailed in the 1920's made it abundantly clear that they favored management as opposed to labor. The courts invalidated a federal child labor law, held minimum wage legislation to be unconstitutional and reasserted the old doctrine that labor was a commodity. Despite the guarantees of the Clayton Act, the Supreme Court severely limited the use of boycotts and picketing, and upheld the issuance of labor injunctions. In 1928 the A.F.L. listed 389 cases in which federal or state courts had granted labor injunctions since the war.

Some labor elements were tempted to try direct political action. In 1922 labor representatives helped organize the Conference for Progressive Political Action, and in 1924 the A.F.L. reluctantly gave its support to Robert M. La Follette's Progressive party. But labor was divided and after the liberal failure in 1924, the Federation turned away from independent political action.

Organized workingmen did secure a few legislative concessions in the 1920's. The adoption of the quota system for foreign immigration pleased most labor leaders. The Railway Labor Act of 1926 provided for the organization of unions among railroad workers without interference and set up special machinery for the settlement of railroad disputes. But the banquet of the 1920's was for businessmen. Although the rhetoric of the day advertised a bountiful fare and seats for all, workingmen more often than not ate at the second table and many times got only crumbs.

The Great Depression

While the depression that followed the crash of 1929 humbled the businessmen, it threatened to liquidate organized labor. The numbing shock of the depression, the mounting unemployment, and the declining income demoralized the labor movement and produced a pathetic resignation in the ranks of industrial workers. The membership of independent unions dropped below three million by 1933, and once mighty unions were almost wiped out. The United Mine Workers declined from 500,000 members in 1922 to 150,000 in 1932.

As the depression worsened and the Hoover administration failed to promote recovery or to provide adequate relief, labor became increasingly restless. Finding little reassurance in the cautious proposals of the A.F.L., many men began to demand a more militant trade unionism. The depression also stimulated the workers' interest in poli-

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"The labor legislation of the New Deal made the federal government a more prominent factor in the sphere of labor relations than it had ever been before." On the whole, from the N.I.R.A. to the Wagner Act, government regulation in the 1930's strengthened the unions and limited management's authority.

Government and Labor Relations during the New Deal

By Sidney Fine
Professor of History, University of Michigan

During the years of the New Deal the United States government played a more prominent and positive role in the sphere of labor legislation and labor relations than it had ever played before. It inaugurated policies in the areas of labor standards, social security and collective bargaining that differed substantially from earlier policies and in so doing made the workingman one of the chief beneficiaries of the New Deal. The executive branch of the government was primarily responsible for assuming the initiative with regard to labor standards and social security, but neither President Franklin D. Roosevelt nor Secretary of Labor Frances Perkins was, at least during the early years of the New Deal, especially interested in the promotion of unionism as such. It fell to Congress, and particularly to Senator Robert F. Wagner, to sponsor the legislation that encouraged labor organization and collective bargaining.

Sidney Fine's special fields of interests are recent American history and economic history. He was recently a faculty member of the Salzburg Seminar in American Studies, and has just published several articles on the N.R.A. and the automobile industry. Author of *Laissez Faire and the General-Welfare State: A Study of Conflict in American Thought, 1865–1901,* he was the recipient of a Guggenheim Fellowship, 1957–1958.

For the first time in American history the federal government during the New Deal era sought to establish minimum labor standards applying to most businesses engaged in interstate commerce. Prior to 1933, the federal government had regulated the hours of its own employees and of employees on interstate railroads and in the merchant marine; but it had not sought to limit the hours of laborers in general, nor had it interested itself in wage levels other than in the District of Columbia and on public construction projects. Its efforts to deal with the problem of child labor had failed to pass the test of constitutionality. The state governments before the New Deal regulated the hours of female and child labor and attempted in some instances to establish minimum wage rates for women and children; but few states had enacted maximum hour laws for adult male laborers, and no state had placed a floor under their wages.

Wage and Hour Regulation

The objective of the New Deal with regard to labor standards was to spread the work by reducing the hours of labor, to increase purchasing power by raising wages and increasing employment, and to reduce the amount of child labor. By breaking the downward spiral of wages and prices and by augmenting purchasing power, the New Deal hoped to arrest the depression and to stimulate recovery. With the economy in a state of collapse, employers in 1933 were not averse to some experimentation along these

lines provided that they were permitted some flexibility in adjusting hours of labor to production needs and provided that wage minima did not raise costs unduly, preserved existing area differentials, and recognized the existence of different classes of employees.

The initial effort of the New Deal to cope with the problem of labor standards was through the National Industrial Recovery Act (N.I.R.A.), which received the President's signature on June 16, 1933. The statute permitted trade or industrial associations to draw up codes of fair competition whose provisions were to become "the standards of fair competition" for the trade or industry concerned when the codes had been approved by the President. The codes had to specify that employers were to "comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or described by the President." The act did not, however, indicate what these labor standards were to be.

Since the administration regarded the reemployment of labor and the stimulation of purchasing power as the immediate objectives of the N.I.R.A., the President on July 20 proclaimed a model labor code, designated the "President's Reemployment Agreement" (P.R.A.), which employers were invited to sign and to abide by pending the adoption of their respective codes. The P.R.A. called for a 40-hour week and a minimum wage of $12 to $15 per week for white collar workers, a basic 35-hour week and a minimum wage of 30 to 40 cents per hour for factory employees, the "equitable readjustment of all pay schedules" above the minimum, and the abolition, with certain exceptions, of child labor under 16. Employers with 16 million employees accepted the P.R.A., although they were commonly permitted to deviate to some degree from the recommended wage and hour standards.

N.R.A. Codes

The P.R.A. served as a stimulus to code-making, and eventually the National Recovery Administration (N.R.A.) approved 557 basic codes, 189 supplementary codes, and the labor provisions of 19 joint N.R.A.-Agricultural Adjustment Administration codes. The labor standards in these codes, although diverse in character, were substantially influenced by the provisions of the P.R.A. About 85 per cent of the codes, covering somewhat more than half of the employees in codified industries, called for a 40-hour week; approximately half of the remaining codes stipulated a work week of less than 40 hours, and the other half a work week above 40 hours. In general, however, the codes contained provisions which, in effect, permitted workers to exceed the specified maximum hours, at least during some weeks of the year, and all but four codes named categories of workers, like watchmen, who were permitted to toil longer hours than the basic employees.

The basic minimum wage specified in the codes ranged from 12.5 cents per hour (needle workers in Puerto Rico) to 75 cents per hour (print roller and print block workers). In about half the basic codes, 40 cents per hour was the highest minimum specified for unskilled production workers, and a wage rate of 30 to 40 cents per hour was the minimum provided in most other codes. Less than one-tenth of the codes called for a minimum wage above 40 cents per hour. Approximately half the codes provided for two or more minima to allow for differences in population or geography or to reflect wage differentials existing in 1929. The bulk of the codes specified subminimum rates for female workers, learners and apprentices, the aged, the handicapped, office boys and girls, and junior employees.

The minimum wage rates in the codes applied, of course, primarily to unskilled labor. Since the N.R.A. did not wish to see weekly wages above the minimum reduced because of the reduction in working time and thus to convert the N.R.A. into a wage-sharing as well as a work-sharing program, it encouraged employers to make special provisions in their codes for wages above the minimum. Detailed arrangements to this end were made in codes applying to industries where wages were the subject of collective bargaining, but most codes contained vague and essentially unenforceable provisions calling for the "equitable adjustment" of wages above the minimum, the "maintenance of weekly wages," or the "maintenance of long standing differentials."

The major effect of the N.I.R.A. on employment and wage levels came during the months from June to October, 1933. Ap-

proximately 2,462,000 persons were reemployed during these months, with the degree of reemployment substantially higher in codified than in non-codified industries. During the same months the average work week, according to figures of the Bureau of Labor Statistics, declined from 43.3 to 37.8 hours. Between October, 1933, and the first five months of 1935 (the N.I.R.A. was declared unconstitutional on May 27, 1935), employment in N.I.R.A. industries, however, increased only 1.7 percent, and average weekly working hours actually increased. The average hourly rates for manufacturing and 13 non-manufacturing industries rose from 43.8 cents in July, 1933, to 52.15 cents in October, 1933, and average weekly earnings increased from $19.53 in June to $20.24 in October, despite the reduction in hours. Average hourly earnings increased further to 57.2 cents during the first five months of 1935, and average weekly earnings mounted to $21.86. The gain in wages during the N.I.R.A. period was, however, offset by a commensurate increase in the cost of living.

Although it was a questionable experiment in so far as the general control of the economy was concerned, the N.I.R.A. did lift the prevailing level of labor standards in the United States. Definite progress was made in the curbing of child labor, a decided impetus was given to the shorter hours movement, the evils of the sweatshop were mitigated, and unusually low wage levels were raised.

When Franklin D. Roosevelt became president, the law of labor relations in the United States recognized the right of workers to organize and to bargain collectively, but employers were equally free to interfere with this right. Under the circumstances, employers used their obviously superior power to discourage organization and to limit its effectiveness where it existed. Anxious to equalize the bargaining power of labor and management, the New Deal sought to protect the right of employees to associate and to bargain from any interference on the part of management. If the bargaining power of employer and employee were equalized, the organized workers, New Dealers believed, would be able to raise their wages, to secure a larger share of the national income, and, by increasing purchasing power, to stimulate the economy.

Labor Organization and N.I.R.A.

The N.I.R.A. constituted the first effort of the New Deal to protect the self-organization of the workers. Since the statute encouraged associative action by business groups, the framers of the law, in order to secure the cooperation of organized labor and to balance the concessions to organized business, required in Section 7(a) of the statute that every code provide that employees were to have "the right to organize and bargain collectively through representatives of their own choosing" and were to be free from the "interference, restraint, or coercion" of employers "in the designation of such representatives or in self-organizations or in other concerted activities for the purpose of collective bargaining." "No employee," furthermore, "and no one seeking employment" was to "be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing."

Section 7(a) actually raised more questions than it answered. It gave no indication of how representatives were to be selected. It did not specifically obligate employers to recognize and to deal with the representatives of the workers, nor did it define the particular tactics of the employers that constituted "interference, restraint, or coercion." It did not appear to have prohibited individual bargaining or company unions *per se*, and it was silent on the question of the closed shop. Above all, no machinery was provided for its enforcement.

The National Labor Board, 1933

Contending that the President and Congress had intended by Section 7(a) that workers should join independent trade unions, the American Federation of Labor sought to use the N.I.R.A. to increase its membership. The employers countered the A.F.L.'s organizing efforts by launching company unions. The union organizing drive, the resistance of the employers, and a rising price level in the summer months of 1933 produced a rash of strikes and persuaded the President on August 5 to create the National

Labor Board (N.L.B.) "to consider, adjust, and settle differences and controversies" arising under the P.R.A. The N.L.B., although it was not specifically authorized to do so until December 16, 1933, began adjusting labor disputes arising under the codes as well as under the P.R.A. It attempted not only to forestall and to mediate strikes but also to interprete the meaning of 7(a) and to conduct elections among the workers to determine whom they wished to represent them in collective bargaining. Although the N.L.B. met with some success during the first months of its existence, it soon ran into difficulties because of its inability to compel employers to comply with its decisions.

The lack of compliance with the decisions of the N.L.B. persuaded Senator Wagner to introduce legislation in Congress on March 1, 1934, which prohibited certain employer practices designed to circumscribe labor's right to organize and to bargain and which provided appropriate enforcement machinery. Unwilling to antagonize employers, whose co-operation he deemed essential for the success of the N.I.R.A., President Roosevelt failed to support Wagner's bill. Indeed, the President was responsible for the settlement of a labor dispute in the automobile industry late in March on terms that ignored the N.L.B. and were at variance with the principles of Wagner's bill and of the N.L.B. The automobile settlement not only cut the ground from under Wagner's measure, which never even came to a vote, but was also a fatal blow to the authority of the N.L.B.

Public Resolution 44 and the N.L.R.B.

The possibility of a steel strike in mid-June convinced Roosevelt that some labor-relations legislation was necessary, but he desired a measure that was non-controversial. The result was the introduction into Congress on June 15 and the signing by the President on June 19 of Public Resolution 44, which authorized the President to establish labor boards to investigate issues arising under Section 7(a) and to conduct elections to determine by whom employees wished to be represented. On the basis of this resolution the President on June 29 created the National Labor Relations Board (N.L.R.B.) as the successor to the N.L.B. The N.L.R.B. interpreted Section 7(a) pretty much as the N.L.B. had done, but it was no more successful than its predecessor in securing employer compliance.

Although less than entirely satisfactory from labor's point of view, Section 7(a) during the approximately two years of its existence was a boon at least to those organizations like the United Mine Workers that had the will and the vigor to take advantage of the opportunity that it presented. Union membership increased from 2,857,000 in 1933 to 3,728,000 in 1935, but company union membership would appear to have increased at an even more rapid rate.

The National Labor Relations Act, 1935

Thwarted in his efforts to secure the adoption of his labor bill in 1934, Senator Wagner returned to the fight in February, 1935, by introducing the National Labor Relations Bill. With the N.I.R.A. coming apart at the seams and with tension mounting between the business community and the White House, the President on May 24, three days before the Supreme Court declared the N.I.R.A. unconstitutional, gave Wagner's bill his support, and on July 5 it became law.

The National Labor Relations Act embodied in legislative form some of the basic principles regarding labor relations proclaimed by the N.L.B. and the N.L.R.B. (under the N.I.R.A.). It reasserted the right of employees to self-organization and to bargain collectively through representatives of their own choosing. It declared that it would be an "unfair labor practice" for an employer (1) to "interfere with, restrain, or coerce" employees in the exercise of this right; (2) to dominate or interfere with a labor organization or to contribute to its support; (3) to discriminate against employees for the purpose of encouraging or discouraging membership in a labor organization; (4) to discriminate against an employee for filing charges or giving testimony under the act; and (5) to refuse to bargain with employee representatives.

It established a National Labor Relations Board to carry out the terms of the act and authorized it to issue orders requiring the cessation by employers of unfair labor practices and to appeal to the federal circuit courts for the enforcement of these orders. It accepted the principle of majority rule in

the designation of employee representatives, authorized the board to hold elections when necessary to determine whom the employees wished to represent them, and lodged in the board the power to determine the appproprıate unit for collective bargaining purposes. It declared that nothing in the statute was designed to prevent an employer from concluding an agreement with a labor organization requiring union membership as a condition of employment as long as the union represented a majority of the employees and was not maintained as the result of an unfair labor practice.

From the day of its enactment the National Labor Relations Act was under attack by the employers. Employers were unquestionably prejudiced against the statute because it required them, in effect, to readjust their views regarding the prerogatives of management. Many employers defied the act as unconstitutional until the Supreme Court in 1937 ruled otherwise.[1] They criticized the measure as one-sided because it imposed restraints on employers but none on unions. Employees, they insisted, needed protection against coercion from any source. Friends of the act replied that union behavior was already policed by the courts and by state and local laws and that, in any event, a one-sided statute was necessary if equalization of bargaining power was to be attained. The supporters of the measure were undoubtedly correct in their assessment of the relative strength of labor and management, but however valid their argument in 1935, it began to lose some of its appeal when unions gained considerably in power after that date.

Employers complained that in accepting the principle of majority rule, the Wagner Act ignored minority rights. Employee representatives, they said, should be permitted to represent only those workers who had selected them, and individuals should be permitted to bargain for themselves, if they so desired. Equity was, to be sure, on the side of this claim, but the history of collective bargaining in the United States seemed to point to majority rule as the only realistic solution for the problem of choice of representatives.

Opponents of the Wagner Act charged that it would inevitably lead to the closed shop. Actually, the statute, as indicated, neither required nor forbade the closed shop but rather left the question of union security to be determined by the process of collective bargaining. On the other hand, it can be argued that since unions tend to seek the closed shop or some other type of union security arrangement and since the act was designed to promote unionism, it was, to the extent that it succeeded, likely to increase the number of workers covered by some type of union security provision.

The opposition also objected to the Wagner Act on procedural grounds. The N.L.R.B., it was charged, would decide both the facts and the law and would combine in itself the functions of complainant, prosecutor, and judge. This criticism was, of course, a criticism of the administrative process itself and overlooked the fact that N.L.R.B. decisions were subject to judicial review.

The New Deal's collective bargaining policy, and especially the Wagner Act, contributed importantly to a remarkable rise in the nation's trade-union membership after 1935. Whereas only 3,728,000 workers were union members in 1935, the number had increased to 15,414,000 by 1947. By disestablishing illegally constituted company unions, reinstating with back pay workers against whom discrimination had been practiced, ordering employers to bargain, and holding elections to determine employee representatives, the N.L.R.B. protected the right of employees to

[1] In the *National Labor Relations Board v. Jones and Laughlin Steel Corp.*, 301 U. S. 1, the Supreme Court ruled ". . . that the National Labor Relations Act may be construed so as to operate within the sphere of constitutional authority. The jurisdiction conferred upon the Board, and invoked in this instance is found in Section 10(a) which provides [that] '. . . the Board is empowered . . . to prevent any person from engaging in any unfair labor practice . . . affecting commerce.'

"The critical words of this provision are 'affecting commerce.' . . .

". . . The Act also defines the term 'affecting commerce' (sec. 2(7): 'The term 'affecting commerce' means in commerce, or burdening or obstructing commerce or the free flow of commerce, or having led or tending to lead to a labor dispute burdening or obstructing commerce or the free flow of commerce.'

"This definition is one of exclusion as well as inclusion. The grant of authority to the Board does not purport to extend to the relationship between all industrial employees and employers. Its terms do not impose collective bargaining upon all industry regardless of effects upon interstate or foreign commerce. It purports to reach only what may be deemed to burden or obstruct that commerce and, thus qualified, it must be construed as contemplating the exercise of control within constitutional bounds. It is a familiar principle that acts which directly burden or obstruct interstate or foreign commerce, or its free flow, are within the reach of the congressional power. Acts having that effect are not rendered immune because they grow out of labor disputes. . . . Whether or not particular action does affect commerce in such a close and intimate fashion as to be subject to federal control, and hence to lie within the authority conferred upon the Board, is left by the statute to be determined as individual cases arise. . . ."

organize and to bargain and helped to create an atmosphere conducive to union growth. Not only did the board's actions affect the membership of trade unions, but it also had an influence on their structure. Empowered to determine the appropriate unit for collective bargaining purposes, the N.L.R.B. on many occasions decided, in effect, in favor of the industrial rather than the craft union and in so doing incurred the ire of the A.F.L. and helped to promote the cause of industrial unionism.

The labor-relations policy of the New Deal unquestionably led to a much wider acceptance among employers of collective bargaining as the procedure for determining terms of employment. Whether the increased resort to collective bargaining brought about the higher real wages and the larger share of the national income for workers that advocates of the New Deal's collective bargaining policy had prognosticated is, however, too complicated a subject to be treated in this brief piece.

Fair Labor Standards: Walsh-Healey

The New Deal did not abandon its efforts to ameliorate working conditions when the N.I.R.A. was declared unconstitutional. In 1936, Congress, at the behest of the administration, passed the Walsh-Healey Public Contracts Act, which specified minimum labor standards to be observed by contractors supplying the federal government with materials or equipment in excess of $10,000. Such employers were to observe the eight-hour day and the forty-hour week, were to pay time-and-a-half for overtime, were not to employ males under 16 years of age or females under 18, and were to pay the prevailing minimum wage, as determined by the Secretary of Labor, for similar work in the locality. This statute was designed to make the federal government a model employer and to relieve it of any obligation to award contracts to the lowest bidder regardless of the labor standards he maintained.

The Fair Labor Standards Act, 1938

The Walsh-Healey Act, however, applied only to a small percentage of the nation's labor force. More general, although far from complete, coverage was not provided until the enactment in 1938 of the Fair Labor Standards Act (F.L.S.A.).[2] The statute specified a minimum wage of 25 cents per hour for the first year of its operation, 30 cents for the next six years, and 40 cents beginning in October, 1945. Provision was made for the appointment of industry committees which, after investigation, could recommend to the administrator of the statute the upward adjustment of the minimum wage in a particular industry to a maximum of 40 cents per hour.

The F.L.S.A. established a basic work week of 44 hours for the first year of its operation, 42 hours for the second year, and 40 hours beginning in October, 1940. Employers were permitted to work their employees in excess of these hours but only if they paid them time-and-a-half for overtime. The statute prohibited child labor under 16 and between 16 and 18 in hazardous occupations, as determined by the chief of the Children's Bureau.

During the first year the F.L.S.A. was in effect, the application of the new minimum labor standards resulted in the raising of the wages of 300,000 workers and the reduction in the working time of 1,380,000 employees. As the standards rose, additional workers were affected. In 1949 the minimum wage was raised to 75 cents per hour and in 1955 to $1.

Social Welfare

Not only did the New Deal seek to raise prevailing labor standards, but it also was responsible for innovating legislation in the area of social security that afforded the worker a measure of protection when he became unemployed and provided him with a modest income in his old age. Although not confiined in its application to the nation's toilers, the New Deal's social security program was of particular interest to them.

Prior to 1933, the state governments had provided public assistance to the needy aged, the blind, and dependent children, and both the federal government and the state governments had been solicitous of the needs of dependent veterans, but the principle of social insurance had been accepted by public authorities only in the area of workmen's compensation. Only one state, Wisconsin,

[2] This act applied to all those engaged directly or indirectly in interstate commerce.

in 1932, had approved the idea of public unemployment insurance, and not a single state had adopted a plan of old-age insurance. The view persisted, at least until 1929, that most individuals could provide by savings for their old age and that unemployment was the result of personal shortcomings rather than stemming from economic conditions over which the individual worker had no control. It became increasingly difficult to defend these ideas, however, once the depression of 1929 fastened its grip on the American economy. With 12,830,000 persons unemployed in 1933 and with approximately 750,000 persons over 65 years of age receiving public relief in 1934, there was a mounting demand that the federal government accept new responsibilities in the area of social security.

The Social Security Act, 1935

In approving the administration-sponsored Social Security Act in 1935, Congress was reacting not only to the widespread feeling of economic insecurity produced by the depression but also to the well-based fear that if the moderate administration proposals were not accepted, more radical solutions for the security problem, then enjoying widespread support, would grow in favor.

The Social Security Act of 1935 provided for a system of federal old-age insurance, financed by contributions from employer and employee; a co-operative federal-state system of unemployment insurance, financed by a payroll tax paid by employers and with 90 per cent of this tax remitted to states that had adopted unemployment insurance systems meeting the few federal standards established by the act; and federal grants to the states for the needy aged over 65, the blind, dependent children, maternal and child health services, services for crippled children, child welfare services, vocational rehabilitation and public health.

The Social Security Act of 1935 was a modest beginning. Almost one-half of the gainfully employed were not covered by the unemployment and old-age insurance provisions of the statute; the unemployment insurance plan undoubtedly made too many concessions to the principle of states rights; and no protection was afforded the survivors and the dependents of those eligible to receive old-age insurance. The important fact, however, was that the principle of federal responsibility for social security had been accepted by Congress, and a foundation had been laid upon which subsequent Congresses could build. In 1939, old-age insurance was extended to protect the survivors and dependents of the insured, and in later years the coverage of the old-age insurance plan was broadened and the size of the benefits increased. Today the Social Security Act stands as one of the enduring monuments of the New Deal and one of the principal components of the federal welfare program.

New Deal legislation in the realm of social security and labor standards was designed to aid working people whether they were organized or unorganized. By introducing legislation to encourage self-organization and collective bargaining, the New Deal also attempted to help the organized workers to use their own economic power to secure better terms of employment.

The labor legislation of the New Deal era made the federal government a more prominent factor in the sphere of labor relations than it had ever been before. The power of government had been used, on the whole, to restrain management behavior and to promote union growth, but the passage of time was to reveal that the same power could be invoked, under different circumstances, to restrain union behavior as well.

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began a steady climb which was to take it past the 400 billion mark and set it on a sure course toward a *half-trillion* figure which would have seemed incredible 20 years ago.

The future of the nation itself will be greatly influenced and determined by the extent to which labor and management reconcile their just disagreements in a spirit of mutual interest and with full awareness of the influence their actions have on the public welfare. The greater the degree of their success in this regard, the greater will be the ability of government to retain its most appropriate and most effective role:—as provider of impartial services and the legal framework which labor-management relations in a free economy require.

"During the War," this historian notes, "labor had not only managed to defend itself but had emerged considerably strengthened." Representatives of organized labor served on regulatory boards and labor began to participate actively in national politics. Still labor's "emerging political stature" was shadowed by a loss of public favor.

Government and Labor during World War II

By Robert K. Murray

Professor of American History, The Pennsylvania State University

Among the most important lessons learned by the nation in World War I was the necessity for organizing and regulating the economy to ensure efficient wartime production. When, in the late summer of 1939, war again threatened the peace of the world, the New Deal administration turned its attention to our earlier war experiences and to the need for a partial industrial mobilization for defense purposes.

Partial Mobilization prior to Pearl Harbor

Until the fall of France little of real consequence was accomplished. But thereafter, the matter acquired greater urgency and in May, 1940, President Roosevelt reactivated a law of 1916 which provided for the creation of a defense council composed of the secretaries of War, Navy, Interior, Agriculture, Commerce and Labor. To this council Roosevelt added an advisory commission of seven men, each in charge of a special division. Of these, the most important was the division on industrial production, headed by William S. Knudsen, president of General Motors, and a labor division, led by Sidney Hillman, president of the Amalgamated Clothing Makers of America.

Charged with taking the first steps toward a mobilization of the nation's economy, the National Defense Advisory Commission set up a scheme for supervising material priorities, established procedures for defense purchases, marshalled tools and skilled laborers for defense purposes, and instituted an emergency plant expansion program. Hillman's labor division was particularly active. Among its most important contributions was the creation of an elaborate training-within-industry program as a means of supplying the skilled workers necessary for the expanding defense effort. This training project was run on the local level by joint labor-management councils which analyzed jobs, graded skills, established training courses and encouraged the recruitment of skilled labor. By the time of Pearl Harbor more than 1.5 million workers had received or were receiving job training under the over-all guidance of the N.D.A.C.'s labor division.

In spite of the moderate success of the N.D.A.C. in meeting the early challenges of defense mobilization, the organization suffered crippling weaknesses. Most glaring was the bitter labor-management bickering that continually racked the commission. Labor elements, originally hopeful that labor's participation on the N.D.A.C. would provide an entering wedge for increasing organized labor's importance, charged that the com-

Robert K. Murray specializes in modern American history, and is chairman of the history department at The Pennsylvania State University. Author of numerous articles in scholarly journals, his book, *Red Scare: A Study in National Hysteria,* was published in 1955.

mission was under the spell of Knudsen and big business. Business, in turn, claimed that labor, through the person of Hillman, already exercised too much influence.

Belatedly recognizing the need for a reorganization but unwilling to create a strong central authority with power to enforce decisions, Franklin Roosevelt in January, 1941, supplanted the N.D.A.C. with the Office of Production Management, headed jointly by William Knudsen and Sidney Hillman. Linking Knudsen and Hillman together as the "Siamese twins" of the mobilization program drew fire from all sides, and the procedure proved unworkable. Despite Roosevelt's insistence on their co-equal status, official, public and private sentiment regarded Knudsen as the superior and Hillman as the underling. Still, technically, the O.P.M. had no single head and therefore, like the N.D.A.C., it lacked direction as well as the ability to enforce its own orders. This fact, plus the bothersome question of priorities, caused the President in August, 1941, to divide the functions of the O.P.M. among several newly-created agencies, the most important being the Supply Priorities and Allocation Board, headed by Donald M. Nelson, a Sears-Roebuck executive. This board thereafter determined the requirements of materials and commodities for military uses, defense, lend-lease and civilian production.

In this rather haphazard and aimless way the nation's industrial mobilization program moved toward Pearl Harbor. It was a loose arrangement, full of defects, many of which stemmed from Roosevelt's refusal to create a unified command. Neither labor nor management cooperated more than was absolutely necessary. Big business remained wary of Hillman and complained that labor's strike actions of 1940–1941 were contrary to the national interest. Labor, in turn, chafed under the increasing business domination of the defense program and was only temporarily mollified by Hillman's appointment as an associate director of the O.P.M.

Yet the defense mobilization experience prepared the nation in some measure for what was to come. The N.D.A.C. and the O.P.M., despite their shortcomings, absorbed the first shock of America's transition from a peacetime to a wartime economy. Labor and management had been brought together around the planning table with each sharing a portion of the burden; material allocations for both defense and civilian production had been started; some five million unemployed had been reabsorbed by industry; and a comprehensive plan for education, recruitment and conservation of labor skills had been instituted. As one observer said about the partial mobilization prior to Pearl Harbor: "The most interesting thing about [it] is that in many respects it succeeded."

Mobilization After Pearl Harbor

Pearl Harbor shattered any hope the Roosevelt administration had for a gradual, systematically-developed mobilization. A crash program was now essential. Happily, the administration received immediate cooperation from both capital and labor. Less than a week after the Japanese attack, a White House-sponsored labor-management conference agreed on a "no-strike, no-lockout" pledge which would enable industry to produce without interruption. As crusty John L. Lewis put it: "When the nation is attacked, every American must rally to its defense. All other considerations become insignificant."

President Roosevelt's first move to achieve a rapid industrial mobilization was the creation on January 16, 1942, of the War Production Board under the chairmanship of Donald Nelson, former head of the S.P.A.B. This board exercised general direction over the war procurement and production program and, in that sense, fell heir to all the cumulative functions of the N.D.A.C., O.P.M., and S.P.A.B. Knudsen, now a Lieutenant General in the Army, became head of the W.P.B.'s division on production while Hillman served as chief of its labor division. The work of these two divisions was much the same as that performed by their counterparts under the old O.P.M. and N.D.A.C., except that Nelson now gave coordinated direction to the Knudsen-Hillman efforts.

During the ensuing war years the W.P.B. was reorganized several times, each time to the advantage of business interests. And although labor representation on the board remained and the labor division continued to give yeoman service, labor's influence constantly waned. Business representatives on

the W.P.B. wielded increasing power and big corporations often received a disproportionate share of war production orders. Moreover, during the period of the W.P.B.'s operation the nation's antitrust laws went unheeded. At one point a near-scandal developed when some of these unsavory facts were unearthed by Senator Harry S. Truman's special Senate investigating committee. Nevertheless, under the W.P.B. the industrial economy was geared to war needs. Plants that had made lipstick cases now turned out bomb fuses; baby carriage factories suddenly manufactured hospital food carts, silk ribbons became silk parachutes; beer cans metamorphosed into hand grenades; adding machines were transformed into automatic pistols; and automobiles fought the war as airplanes.

It should be remembered that important as this wartime conversion of the industrial economy was, it represented but one phase of the total war mobilization effort. Other matters, such as military manpower needs, civilian rationing, housing, price control, rent, to mention only a few, also required constant attention and presented endless problems of organization and coordination. The gigantic job of keeping this intricate war program in proper balance was of vital concern to the administration and, contrary to Roosevelt's earlier pre-war approach, the only logical solution was an increasing centralization of authority.

Hence it occasioned no surprise when on May 29, 1943, Roosevelt made James F. Byrnes, a former Supreme Court Justice, head of the newly-created Office of War Mobilization in order to "streamline our activities . . . and keep both our military machine and our essential civilian economy running in team and at high speed." Described as "the nearest thing to a boss for the entire home front," the O.W.M. consisted of Secretary of War Henry L. Stimson, Secretary of Navy Frank Knox, Harry L. Hopkins, Donald Nelson and Byrnes. In his post as chairman, Byrnes, in effect, became the nation's economic czar, or "Assistant President," as he was often called.

The W.P.B., with its labor division playing an ever-diminishing role, remained to the end of the war the main implementive agent for industrial production under the over-all coordination of the O.W.M. Donald Nelson served both as a member of the O.W.M. and as head of the W.P.B. until September, 1944, when Julius A. Krug, later President Truman's Secretary of Interior, succeeded him. The W.P.B. ceased to exist on November 3, 1945, when a reconversion caretaker organization known as the Civilian Production Administration replaced it.

Strike Mediation and Wage Stabilization

Within the general context of labor's role in wartime industrial mobilization, the Federal government faced three tasks concerning labor itself: 1) to develop methods for handling labor-management disputes, 2) to establish a wage policy which would dovetail with efforts to hold down the cost-of-living, and 3) to maintain an adequate supply of industrial workers as well as assure their efficient distribution.

Of these three, the most persistent problem was the handling of labor-management disputes. Nine months prior to Pearl Harbor the Roosevelt administration had attempted to deal with this matter by creating a National Defense Mediation Board consisting of representatives from labor, management and the public. Specifically, the board shouldered the responsibility of settling disputes in defense industries, but because it could not enforce its decisions its efforts were not always successful. In at least three cases the War Department had to step in and seize strike-bound plants in order to prevent work stoppages from hampering the defense program. Labor opposition to such mediation procedures was sporadic at first, but, finally, when the N.D.M.B. rendered an adverse decision in the Lewis-sponsored "captive mine" coal strike of November, 1941, and the pits were threatened with government seizure, C.I.O. members of the board resigned.

Pearl Harbor forced an immediate change in attitude. Acting upon a labor-management pledge that all disputes would be settled by peaceful means and that the rulings of a war labor board would be obeyed, the President created a National War Labor Board on January 21, 1942, thereby eliminating the N.D.M.B. Sometimes called "the Supreme Court for labor disputes," this new board was headed by William H. Davis, former head of the N.D.M.B., and consisted

of twelve members—four representing the public, four representing employers and four representing employees. Operating through 12 regional offices, the N.W.L.B. assumed the dual responsibility of settling industrial disputes and achieving wage stabilization. Unlike the N.D.M.B., the N.W.L.B. possessed considerable power since refusal or failure to obey its decisions almost invariably resulted in plant seizure and government operation. Also, because the matters under its jurisdiction required the formulation of a general wartime labor policy, the N.W.L.B. emerged as a powerful policy-making as well as adjudicatory body.

From the beginning the road of the N.W.L.B. was rocky; yet the board not only survived the bumps but completed the journey with its influence considerably expanded. First, in order to reduce industrial tension, it successfully initiated a "maintenance-of-membership" agreement which disposed of the controversial closed-shop question by protecting organized labor's position in expanding war plants. Under this agreement existing unions were allowed to bargain for all workers during the life of the bargaining contract even though new workers entering the industry were not required to join the union as a condition of employment. This maintenance-of-membership plan obviously shielded unions from raids by employers, and, despite the concerted opposition of the management representatives on the N.W.L.B., the agreement was staunchly upheld during the remainder of the war.

If the maintenance-of-membership formula removed one area of conflict between labor and management, the problem of wage stabilization remained to plague the N.W.L.B. It was clear from the outset that industrial peace, despite the post-Pearl Harbor pledges of both labor and capital, would depend to a large extent on the preservation of a balance between prices and wages. Taking its cue from a presidential "cost-of-living" message to Congress in April, 1942, the N.W.L.B. promulgated two months later a wage stabilization policy known as the "Little Steel formula."

This formula grew out of a dispute between the Steel Workers of America and Little Steel over the demand for a $1.00 per day wage increase. The N.W.L.B. finally awarded a 44¢ per day increase on the basis that the cost-of-living had only risen to that extent between January, 1941, and May, 1942. Labor severely criticized this decision, arguing that the principle of collective bargaining had been undermined, that laborers had been prevented from improving their relative standard of living, and that wage earners had been singled out unfairly since similar controls were not imposed on farmers or high-income groups. Nevertheless, the Little Steel formula was thereafter applied in all wage disputes. This "hold-the-line" concept was further strenthened by the Anti-Inflation Act of October 2, 1942, on the basis of which Roosevelt gave the N.W.L.B. the task of stabilizing all wages and most salaries under $5,000 at their September 15, 1942, levels.

Labor bridled at this wage "freeze" and the result was a marked rise in the number of strikes. The year 1943 saw a three-fold increase in the amount of production time lost through work stoppages, with the most serious strike of that year occurring in May in the nation's coal fields. This latter dispute was referred to the N.W.L.B. but the United Mine Workers' Union, which was demanding, among other things, a $2.00 per day increase, refused to take part in N.W.L.B. hearings. The board therefore turned the matter over to the President who for six months thereafter engaged in a running fight with John L. Lewis over the refusal of the government to grant the union's full demands. Finally, a negotiated agreement was reached between Lewis and Secretary of Interior Harold Ickes, which, with the N.W.L.B.'s endorsement, authorized a $1.50 per day increase plus certain other benefits. Technically, the Little Steel formula was thus saved, since the stated increase was within the formula's range. Actually, however, because of the fringe benefits included, the formula was neatly by-passed.

The Smith-Connally Act

The success of the miners in thawing the hold-the-line wage freeze policy of the N.W.L.B. proved costly. Disturbed by labor's increasing belligerency, a worried Congress hastily passed the Smith-Connally, or War Labor Disputes Act, of June 25, 1943. This law gave statutory status to the

N.W.L.B. for the duration of the war plus six months and authorized it to determine hours, wages and working conditions during that time. It also gave the President specific authority to seize and operate any strike-bound plant, mine or facility which was necessary to the war effort. While such installations were under government operation, all strikes and lockouts were prohibited and conditions and terms of employment were frozen. Moreover, a 30-day "cooling-off" period was now required before *any* strike could be called. During this period the N.W.L.B. was authorized to conduct a secret strike ballot.

The Smith-Connally Act not only marked a clear shift in congressional attitudes toward labor, but also reflected a growing hostility on the part of the general public as well. This fact, together with an increasing flexibility in the application of the Little Steel formula and a more rigid price control policy, kept labor generally quiet for the remainder of the war. Yet most of the credit must go to the N.W.L.B. and the overwhelming majority of the nation's laboring men. From its creation to the end of the war the N.W.L.B. handled 17,807 labor disputes and reduced the loss of production time from strikes to one-third the normal peacetime level. During the same period, while prices climbed 31.7 per cent above their pre-war average, the N.W.L.B. granted wage adjustments in 353,749 instances, involving 23 million workers, and amounting to a 40.5 per cent increase above pre-war levels.

Labor, meanwhile, more than proved its faithfulness. Most wartime strikes were outlawed or of very short duration, and labor leaders, except for the irascible Lewis, kept the "no-strike" pledge. Time lost from work stoppages in the peak war years of 1943 and 1944 amounted to only one-tenth of one per cent of the total work time—a better record than British labor achieved even under her strict labor conscription law.

Manpower Allocation

The two-fold problem of maintaining an adequate labor supply and supervising its efficient distribution was in some respects the easiest, but in other respects the hardest, task facing the government. Because of the staggering loss of more than eleven million men and women to the armed forces, the supply had to be recruited from the formerly unemployed, the normally unemployable, women, farmers, the aged, and the young. Overtime wages, patriotism and escape from boredom were but a few of the factors which helped alleviate the labor supply problem. In this connection, the training-within-industry program, begun by Hillman under the old N.D.A.C. and continued throughout the war by other mobilization agencies, helped fill the gap.

Distribution was another matter. It was hoped that wage incentives might solve the problem of geographic labor shortages, and war plants in such areas were encouraged to increase their pay rates and offer overtime opportunities. However, such action created more problems than were solved—workers were drained off from other nearby war plants or from agriculture and inflationary tendencies were heightened.

To effect a more systematic approach to these matters, President Roosevelt established the War Manpower Commission on April 18, 1942. Headed by Paul V. McNutt, a former governor of Indiana, the W.M.C. was largely the product of the persistent urging of Sidney Hillman who believed that all phases of labor and manpower utilization ought to be brought together under one umbrella. Hillman frankly had expected to be appointed head of this agency and when he was passed over, his disappointment, along with a mild heart attack, caused him to resign his post as chief of the W.P.B.'s labor division, leave government service, and return to union work. A year later he became head of the C.I.O.'s Political Action Committee (P.A.C.).

The W.M.C. consisted of nine members drawn from the W.P.B., the Selective Service System, the Civil Service Commission, and the Departments of War, Navy, Agriculture and Labor. These nine representatives decided where labor was most needed, allocated manpower between the armed forces and industry, utilized to the fullest extent unemployed workers, and expanded the existing training-within-industry program. The W.M.C. quickly took under its wing the entire Selective Service structure and also absorbed the United States Employment Service. Under its aegis a system of priorities

for skilled labor was established and a list of critical war occupations was drawn up. In February, 1943, when President Roosevelt put defense industries on a 48-hour week, the W.M.C. was directed to carry out the order. At the same time the W.M.C. classified labor shortage areas into four groups and tried every voluntary means at its disposal to direct labor into these regions.

Because of the lack of voluntary response, the W.M.C. was reduced by early 1943 to using force in order to solve the labor allocation problem. In April of that year the W.M.C., acting on a presidential "hold-the-line" order, "froze" workers to their jobs by forbidding those engaged in essential occupations to shift to jobs of higher pay without commission approval. Moreover, a policy of "essentiality of employment" rather than age or dependency became the basic criterion of Selective Service for draft deferment.

Even so, labor shortages in numerous areas continued throughout 1943. This fact, plus the anti-labor hostility engendered by the rebellious action of John L. Lewis and his coal miners, caused some officials to advocate a more stringent manpower policy. Using Britain and Australia as examples, both Donald Nelson and Paul McNutt urged the enactment of a national service law which would conscript for the farm and factory as well as for the armed forces. Roosevelt resisted such advice until, thoroughly angered by the antics of Lewis and disturbed by mounting labor unrest, he, too, succumbed. In his annual message to Congress on January 11, 1944, he endorsed the idea of a national service act which would prohibit all strikes and make available every able-bodied adult for war production.

Fortuitous circumstances forestalled any action on this request. For sound political reasons many congressmen were loathe to support the proposed law. Besides, the brightening military picture in the spring and summer of 1944 eliminated much of the urgency. The W.M.C. itself challenged the proposal on the ground that there was no longer need for such rigid controls since the army's goal of 7.7 million men had just been reached and no more men over 26 were to be drafted. But the most important factor was the violent union opposition which greeted the suggestion.

The war ended therefore without any truly practical solution having been found to the labor manpower problem. The training-within-industry program, wage incentives, priorities for skilled labor, the job "freeze," and the "essentiality of employment" draft policy had proved only mildly successful. For this reason, the closing days of the war still saw the spectre of a national service law looming ominously on the horizon.

Labor at the End of the War

The end of the war found the nation with the largest labor force and the greatest number of organized workers in its history. Between 1940 and 1945 the total labor force had increased from 54 million to approximately 64 million. By October, 1944, the unemployed, numbering some 600,000, represented less than one per cent of this total. By the end of the war about one-third of the labor force was employed in manufacturing activities, while the nation's urban population, reflecting wartime labor trends, had increased by almost nine million. Much of this gain occurred in former sparsely-populated areas of the country as workers followed expanding industry. For example, between 1940 and 1946 the three Pacific coast states increased one-third in their populations. In about the same period, from 1939 to 1944, female workers in industry more than doubled while the employment of males rose only 35 per cent. "Rosie the Riveter" made industrial history as she and millions of her sisters left home to join the assembly line. By 1944, the percentage of women on the nation's payrolls was close to 33 per cent. Workers between the ages of 14 and 17 also markedly increased. From 1940 to 1945, those in this category, employed either full or part-time, rose from one million to nearly three million.

Meanwhile, union membership grew from 8.5 million in 1940 to 14.5 million in 1945. Of these, 6.8 million were in the A.F.L. and 6 million were in the C.I.O. Little wonder, then, that organized labor faced the postwar future confidently. During the war labor had not only managed to defend itself but had emerged considerably strengthened. Government regulation, therefore, had been a mixed blessing. While the government through its wartime power had stabilized

wages, frozen jobs and virtually eliminated labor's strike pressure on employers, it also had protected labor and, in effect, had guaranteed it a healthy status. In assuring labor the right to organize and bargain collectively under the maintenance-of-membership agreement, the government had basically erected those conditions by which labor, despite the war, could do "business as usual." The mere fact that organized labor was represented throughout the war on numerous regulatory boards indicated a general awareness of its importance. Moreover, the growing involvement of organized labor in national politics, especially through Hillman's C.I.O.-P.A.C., underscored a new dimension of labor's strength. The 1944 Democratic convention remark of "Clear it with Sidney" clearly epitomized labor's emerging political stature.

Yet this picture taken alone is misleading. If the war had proved advantageous for labor, it had been even more so for business. Business emerged from the war with its prestige, if not its actual power, immeasurably enhanced. The success of the wartime industrial mobilization and conversion effort was commonly regarded as a business victory, not a joint labor-management one. This fact was amply demonstrated as labor's influence on mobilization and regulatory agencies steadily diminished down to 1945.

Moreover, just when it appeared that labor was extremely secure, it was wasting its substance on internecine wrangling and jurisdictional strife. Throughout the war, Hillman and others had attempted to bring the C.I.O. and the A.F.L. closer together. But neither Philip Murray, John L. Lewis nor William Green gave much support to the move. Indeed, both during and immediately after the war, labor was divided internally far more than was business.

Thus, its position at the close of the war was in reality a paradox: on the one hand, American labor was strong, confident, and militant; on the other, it was divided, suspected of evil motives, and rapidly losing public favor. The seeds of this declining support had been planted as early as the defense strikes of 1940–1941. By 1945, these seeds were sending up strong shoots in the form of the Smith-Connally Act and support for a labor-conscription law. The full flower would not appear until two years later with the passage of Taft-Hartley.

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tical action. The public began to be more sympathetic toward labor and Congress became more concerned with its welfare. In 1932, the national legislature enacted the Norris-La Guardia Act. It expressly guaranteed the right of labor to organize and bargain collectively, clearly defined and limited the injunctive process in federal courts, and specifically outlawed the yellow-dog contract. Like the ordinary worker's support of Franklin D. Roosevelt in 1932, the act was a token of a new era for labor in the United States.

The effects of the Great Depression were so devastating that the country appeared ready to break loose from its historic moorings. The way seemed open for revolutionary changes in such public policy areas as labor-government relations. But the new departure in labor policies that came with the New Deal was to follow the fundamental pattern of labor development and government control which had evolved over the generations. The lessons and missed opportunities of the nineteenth century were not forgotten. The Progressive movement's pioneering contributions in social legislation and the modern controls introduced as a result of the exigencies of World War I provided a foundation for the construction of a more imposing edifice in the field of labor policy. The depression freed the policy-makers from some of the restraints of the past and immobilized business, so that under a vigorous new administration a more equitable balance could be struck between management and labor.

"The welfare of the general public—which includes the employer and the union—is becoming more directly affected each year by the economic trends and consequences which result from the collective bargaining relationship," notes this specialist. He calls attention to the fact that "We are entering . . . a world in which the union is a full grown economic institution whose power to change the distribution of income across our society will necessarily continue to change the kind of society in which we live, and change our ability to compete abroad with producers who do not have to base their prices upon a wage structure comparable to our own."

The Collective Bargaining Arena

By J. Gordon Logue
Manager of Industrial Relations, Pennsalt Chemicals Corporation

Who meets, and what is at issue, in collective bargaining? Is it no more than a sparring, every year or so, between labor and management as to what next year's wage rates shall be, with an occasional bout as to appropriate holidays or other "fringe" benefits? It is hardly so elementary. "Collective bargaining," according to our Supreme Court, is a continuing, day-to-day relationship between labor and management, each of whom has specific legal obligations. Contract negotiations are, therefore, but a part of collective bargaining. Such negotiations are, if you will, the only part visible to the public at large and, usually, the wage issue is the only facet the public notices.

We speak of "labor" and of "management," certain that we understand and are understood. It may be that we are not understood at all. The words "labor" and "management" may have very different meanings in actuality, in 1959, than they had in the years when they entered your vocabulary or mine. There is now ample reason to believe that "organized labor" has moved into a new era in which its old slogans no longer apply, and that it is now an institution in our economic, political, and social life, rather than a holy or an unholy cause. In this article we shall examine this institution, its components, its operations, and its relationships to the business world and to political life.

Before turning to the contemporary life of organized labor, it is worth noting briefly the environment from which it came. What is of immediate interest to us is the manner in which unions grew in recent decades. Those were the days of sit-down strikes, of mass picketing by hundreds of employees, of violence, of steadfast refusal by some employers to meet with a union no matter what the consequences. Those, then, were the days of battle. Battle evolves its own slogans and develops new or strengthens old loyalties; indeed it creates its own mystique. What was really one side of an issue became a life-long creed. The labor movement won, in those militant days, its own kind of glamor and, at the same time, evoked some deeply-felt antipathy.

"Organized labor" thus became a phrase sacred to some and equally profane to others. The number of union members in the United States rose astronomically in those decades,

J. Gordon Logue is Manager of Industrial Relations for Pennsalt Chemicals Corporation. He is a graduate of Yale, B.A. and LL.B., a member of the bar in Pennsylvania and New York, and practiced law as a specialist in labor matters for several years before entering private industry. The views expressed herein are the author's alone, and do not necessarily reflect any viewpoint of Pennsalt Chemicals Corporation.

leveling off as the 1940's ended, and thereafter increasing at a very slow pace. The days of real battle had ended. Labor had won its place in our society. What had so recently been a crusade now became a fact of our industrial and political life.

The effort had been to win the right to represent employees so that the latter could speak collectively to the employer on matters such as wages, working conditions, and fringe benefits, without fear of retaliation for so speaking. The "Wagner" Act provided the basic guarantees and the right to represent was largely won.

Our interest now is in the full framework of contemporary collective bargaining. We have seen that a union is not a business enterprise, chartered by the government for specific economic purposes but is rather a group of people who have been organized, by a quasi-political campaign and in a movement which has history, traditions, watchwords, and other appeals, for objectives which, originally, were economic. The character of a union is, therefore, markedly different from the character of a business enterprise.

The Contemporary Employer

One of the principal points which must now be recognized is that a history of collective bargaining for ten or twenty years between a union and a given employer will ordinarily have sufficed to stabilize the relationship. By this we mean that—as with diplomatic entities—each recognizes the "personality" of the other and is aware that a change in such personality must be generated, if at all, by a change from within, namely, by a revision of management personnel or policy, or by a revision in union leadership or affiliation.

This stability means, for example, that the employer today is not the "union-busting" adversary upon which so much organizing literature and so many speeches were focused. This has been true for a good many years. It does not mean that the employer therefore enjoys his relationship with the union but it does mean that he accepts it and honors his legal and moral obligations within this framework. Therefore it may be said that to the contemporary employer collective bargaining is a fact of economic life, with all of the cost, personnel and other considerations which follow.

In addition, the union is both an organization to which its employees belong and an organization whose major policy makers are not its employees. This distinction is important to every employer, be he an individual entrepreneur or a large corporation with plants across the country. In either case, the employer knows that there are personnel relationships, experiences, identities and histories which it shares with its employees, and does not share with the union policy makers who sometimes speak or seek to speak for them.

The structure of most American industry is such that the word "employee" applies alike to management and to those who belong to the union in the plant. This common association is a relationship to "the Company" and though the union claims attention of some "employees," management generally believes that these same union members also identify themselves with "the Company." As we shall see, this belief is well-founded, and best demonstrated when union members choose not to strike but to accept the new terms of a labor contract. This choice, it is suggested, often reflects at least a majority sentiment that their company has dealt fairly in its end of the bargain. Moreover, as anyone who has participated in negotiations is aware, a fair-minded Union Committee gives repeated evidence during the course of bargaining discussions that its members are as conscious of their long relationship to "the Company" and of its history, as are management's spokesmen.

Our brief description of the acceptance of unions by the contemporary employer cannot end without a strong affirmation that the employer deeply believes in "arms' length" bargaining with the union. In summary, this means that every proposal made by the union must be assessed on its merits, without fear or favor, and answered either by acceptance or a forthright statement that it is unacceptable because of the consequences it promises. When an employer speaks in collective bargaining session, he seeks to maintain a satisfactory working relationship with the employees in a realistic economic context.

Our review of the contemporary employer ends with what is obvious yet vital. An employer is not an association of employees organized to meet with a union, but rather

is a business association organized in the most effective manner it can achieve to pursue successfully the search for profit within the confines of the statutory and moral laws. The differences between the employer as an entity and the union as an entity are therefore vast.

The fact that acceptance of unions is now prevalent, in the sense of acceptance here employed, does not mean that collective bargaining has become a matter of teamwork, with solutions easily achieved. On the contrary, the evidence is that such acceptance means only that the day of the old symbols has passed and that the collective bargaining arena today is the scene of economic and political movements which affect the interests of all of us far more directly than did the earlier contest. We turn now to the contemporary union, to look behind that collective word "union" for the components which form its definition.

The Contemporary Union

Thus far we have spoken of a union simply as the other party to collective bargaining with the employer, as though the union were simply a society of employees whom someone had organized for the purpose of annual collective bargaining. The contemporary union has much greater significance.

A union has organizational structure, internal and external political life, income, expense accounts, bank accounts, large reserve funds for "strike benefits," its own employees, its own form of courts for its own internal discipline, its "treaties" with other unions, its "wars" with still other unions, research departments, lobbyists, speech-writers, public relations programs, newspapers, and, in some well-known cases, strong-arm men, extortionists and an otherwise full complement of unlawful men. Some unions are business organizations run for the profit of their leadership. These unions are by now so well known that they need no further description here, except to say that this form of union, rampant now, is by its very excesses hastening the day of reckoning for itself.

Our interest here is in the non-racketeering union. Such unions have all of the aspects noted above except the equipment or the inclination for illegal gain. We have said that these unions are not simply societies for the purpose of annual collective bargaining. When we turn to an affirmative definition of their nature, their collective similarity in organization and operation is strikingly parallel to that of a political party. That this is more than mere coincidence clearly appears as we note that unions really have a more direct involvement in our political life than do our political parties.

A large, or nationwide, union is actually a collective body divisible into regional and local components and governed by one component, the international office or headquarters and its top ranking officers. The local component we have mentioned is usually known as the "local union," and all of the union members in one plant of one employer generally constitute one local union. The local unions are "affiliated" with various "international unions."

The local union usually has the only direct day-to-day relationship with the employer. The members of the local union are all employees of that employer. All of the money spent by the local, regional and international union for any purpose is money paid by the members of the local union as "dues" or, at the time they first join the union, as "initiation fees." As a general rule, these members elect their own local officers directly, but choose, or elect, "delegates" from their local who then go to a convention of the international union and there elect the officers of the International.

The officers of a local union are rarely full-time union officials. Instead they are employees, as are their fellow members of the local union, and they act as officers, rather than employees, for certain limited purposes. On the other hand, all officers of the International are usually full-time union officials, whose salaries are paid from the dues of the local union members.

The Role of the International Union

The role of the International is (1) the formulation of policy, (2) the formulation of the bases upon which such policy can become reality, and, (3) thereafter the directing of every effort to attain its objectives. Whereas the leadership of the local union is most directly concerned with conditions in the employer's plant and the achievement, if possible, of changes which it may desire, the inter-

national union brings to local plant negotiations certain bargaining proposals which the local union may fully desire but which, in all probability, it would not have conceived nor introduced on its own initiative. Here the International's role is almost that of programming, on a nation-wide level, certain bargaining proposals which it believes every local union must convert into contractual obligations.

In addition to designing such proposals and seeking to obtain their realization, the International serves as the source for all of the major arguments which will be introduced in local negotiations in support of these proposals. The International's research department also reviews the state of the national and local economies, the wage patterns which exist from area to area, the scope of benefits provided by other employers to other unions, and other such data, upon which it can determine, advise or recommend to a given local union the basis upon which it may seek to achieve comparable or greater benefits.

It is evident that the international union has evolved from the general headquarters of an army in the field for organizational purposes into an extremely powerful factor in the center of our economic life. In many cases it is better organized for its purpose than the employers with whom its local unions negotiate, so far as a comparison of available economic power in any plant shutdown is concerned. But the major conclusion which must be drawn is that the international union today is conceiving and seeking the realization of ideas which have and will continue to have a pronounced impact upon our entire society.

It should be remembered that local union members do not identify themselves as a laboring class or as a group apart from the rest of our society. Their union membership is to them but another important aspect of their lives, rather than the central aspect. But whether or not they think of themselves as the laboring class, or are capable of identification in such terms, it is becoming increasingly true that those who belong to the unions are a part of an economic power group which must admit that its actions do have *adverse* as well as beneficial consequences for the rest of our society. We shall note some of these adverse consequences shortly. Before doing so it is necessary to comment on another major aspect of union power, the growing participation of unions in our political life.

The Union in Politics

The average holder of public office knows that unions have money to spend in elections for the purpose of campaigning with or against a given candidate or given issue. The 1958 debacle of every major effort to enact right-to-work laws is generally credited to the organized opposition which the unions mustered. The watering-down of proposed legislation to control abuses publicized by the McClellan Committee is another ready example. The unions not only have money, they have articulate leadership, and, from where the candidate for election or re-election sits, they also have the largest potential bloc of votes in any industrialized state.

This power is a vital part of the larger collective bargaining arena. If some forms of peaceful picketing are actually pure exercises of economic power but not presently forbidden by law—for example, some forms of secondary boycott picketing—the law can only be changed by a legislative body. If the concentration of economic power rests too heavily in international unions, for example their ability to shut down an industry, not just one employer, then any proposed remedial economic legislation must raise the basic political question for every law-maker: Can he support it and nevertheless be re-elected? The antitrust laws are already on the books if the concentration of corporate economic power is deserving of prohibition but there is no comparable legislation governing unions. Thus if the transportation unions combine for economic objectives, but not to fix the ultimate price the public pays for transportation, there is no law to prohibit them at present.

Heretofore in the public eye the corporation alone was seen as the locus of economic power and the tycoon as the wielder of political influence. We are beginning to see that we cannot describe the areas of true power in our society without full reference to the roles of the international unions, and the local unions upon whom they depend for financial and moral support.

We have seen that the union today has become an institution with financial re-

sources, assured income, and an organizational structure which permits it to engage in long range planning for economic and political objectives with the knowledge that it possesses the power, or in some cases the power potential, with which it may reasonably expect to strengthen its position in our society. Let us turn now to the primary place at which the union wages its unending campaign, the collective bargaining table.

Contemporary Collective Bargaining

Early in this review we said that collective bargaining is not simply a matter of teamwork, with solutions easily achieved. Our description of the employer and of the union gives ample evidence that these two parties to collective bargaining differ vastly from one another. How, then, can they meet at all, and how, then, do they manage to reach agreement?

The answers to these questions require a sense of history, an awareness that employers have accepted the bargaining relationship and will meet to consider the union's proposals. When the parties meet for collective bargaining, they meet within a context whose limits are currently defined by the existing labor contract. The basic subject matter of their meeting is the question of whether and to what degree there shall be changes from the present status to a broader status.

Some specific references to what the present status is may sharpen our focus. Most labor contracts now in force provide not only for the wage rates to be paid but also for such additional economic and other benefits as the following: (1) paid vacations; (2) paid holidays; (3) higher pay for overtime work; (4) higher pay for working on a night shift; (5) or on holidays; (6) or for coming in to do emergency work; (7) a meal allowance for overtime work on short notice; (8) pay for working day time spent at a family funeral; (9) pay for serving on a jury; (10) sickness and accident insurance; (11) or a weekly cash payment if absent due to nonoccupational sickness or accident; (12) pension benefits; (13) life insurance; (14) Blue Cross-Blue Shield or comparable medical-surgical expense coverage; (15) job protection by recognition of seniority, or length of service, with the employer; (16) cost-of-living bonus which gives an automatic wage increase for any relatively minor increase in the cost of living; (17) supplemental payments by the employer in addition to workmen's compensation benefits; (18) a grievance and arbitration procedure, to contest alleged violations of the contract by the employer.

The items just named are already included in many labor contracts, in addition to provision for wage rates. When the parties meet to negotiate a new contract these items are, therefore, a part of the negotiating environment. It is generally true that the unions will seek increases in each of these benefits, for example, longer paid vacations, more holidays, and so forth. In addition, they will introduce some altogether new concepts, such as those we mentioned earlier—paid sick leave, supplemental unemployment compensation, a shorter work week, or other comparable items. Finally, they will request a general wage increase for all employees and, in addition, specific wage increases for certain kinds of employees, such as skilled mechanics.

It is apparent that collective bargaining today focuses upon what the employer knows to be cost items. The union does represent the employees, seniority rights are respected, the formerly unorganized industrial workers have been organized, wages far in excess of the minimums required by law are being paid throughout industry.

We are now in a collective bargaining arena in which the union has achieved a high income level for the industrial worker. We now face the fact that widespread union membership, and collective bargaining contracts having the provisions just mentioned have established an economic group in our society with the power to *improve* its relative economic position. This group, to the economist, fixes the cost of the wages which the employer must pay, and in doing so has an obvious impact upon the prices the employer must charge if he is to continue to operate profitably and continue to grow as he must if he is to retain his position in an expanding economy.

The employer and the union are able to reach agreements, and will remain able to do so, within realistic limits, as long as the state of the employer's business will permit him to grant to the union what will cost him more,

directly or indirectly, for his employees' services. In a sense, therefore, the employer and the union are both governed by a law of survival.

It is to be expected, however, that any employer will seek the economic means to roll back the ever recurring pressure for higher wages and more benefits. This expectation is as natural as the expectation that the union will seek more benefits each year. The ultimate test of whether the employer and the union will reach agreement is whether one or the other would prefer that the plant be closed, by strike or lockout, until the exercise of this economic test resolves their differences, or whether, on the contrary, this economic test may be avoided by reaching an agreement both parties can live with. Since this economic test is expensive, and is a waste of human and economic resources, any sensible employer will attempt to minimize the possibility of facing it with his entire welfare dependent upon whether one plant operates or is closed down by a labor dispute.

The minimization of this risk can be achieved in two major ways, (1) by the decentralization of production—which means the operation of more than one plant—and, (2) by the introduction of the most modern and efficient equipment technological progress and his capital budget afford—which, currently, means automation. It may be said that such action on the employer's part is his response to the sustained drive by the international unions—supported by their local unions—to increase their proportionate share of the employer's gross income.

We are, therefore, in an environment in which the union seeks the constant improvement of the relative economic position of its members in our society and the employer, faced with the cost consequences of this sustained effort, seeks the constant improvement of his bargaining position with the union by spreading his risks and introducing labor saving machinery.

Wage-Price Inflation

The welfare of the general public—which includes the employer and the union—is becoming more directly affected each year by the economic trends and consequences which result from the collective bargaining relationship. Two different measures of its impact suggest the public concern: first, we are experiencing a continuing wage-price inflation; second, we note the rising level of our imports of products which have been made abroad at significantly lower labor costs.

Wage-price inflation means, in essence, that the selling price of the employer's product—automobiles, for example—will be raised to reflect the increased wage cost of manufacturing the automobile. This price rise affects all automobile purchasers. To the extent that other consumer items now considered necessities undergo price increases because of wage increases, all purchasers must pay more or do without such "necessities." Or, as the rising level of imports clearly suggests, the purchaser may turn to an imported item available at a cost lower than a comparable item produced at home.

Moreover, when we speak of wage-price inflation we must be mindful of the fact that each employer is also the purchaser of "raw materials" which, in turn, have been priced to reflect increased wages granted to those who help to produce these raw materials. It is not necessary to debate whether a given employer in a given year should have granted a wage increase but not have raised his prices. Even if this were possible, it would have a minimal impact upon our inflationary trend. Our economy remains competitive, and to the vast majority of our employers an inability to raise prices after granting a wage increase would mean a decline in that employer's profit, his prospects for attracting investment capital, his ability to expand with the needs of our economy, and, ultimately, a general reversal of his fortunes.

There is no present prospect that the trends here suggested will reverse themselves or be reversed. If this be true then we are in the process of re-shaping our society beyond the goal of labor's old slogan, "a fair day's pay for a fair day's work." We are leaving the world in which the slogan "social justice" had reference to underpaid, overworked men who deserved a better lot as a matter of ethics. Not only that, we are leaving the world in which "widespread purchasing power" has been the economic premise urged in support of widespread wage increases. With exceptions not material, all of these goals have been realized.

We are entering, indeed we are already in, a world in which the union is a full-grown economic institution whose power to change the distribution of income across our society will necessarily continue to change the kind of society in which we live, and change our ability to compete abroad with producers who do not have to base their prices upon a wage structure comparable to our own.

The problems thus raised are enormously complex. They are not solved by the unionization of Americans not yet unionized. This is impossible for large segments of our productive work force, and even if it were possible it would compound our inflationary problem and calcify our presently mobile society. The solutions to our problems may lie in new legislation—a topic whose problems we have touched upon earlier—but comprehensive legislation governing our price structure is legislation which destroys our present economic system. There is evidence that the union as an institution is of sufficient power to warrant economic legislation—as we have noted—but this direction has not yet been properly explored.

While we await the clearer public definition of the current trend of collective bargaining, the participants therein will continue in the present environment. Today the cloud of cost hovers most directly over the bargaining arena and in its shadow the shape of things to come will inevitably be defined by what is done now.

SELECTIONS FROM THE LABOR MANAGEMENT RELATION ACT, 1947

"Sec. 7. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and shall also have the right to refrain from any or all of such activities except to the extent that such right may be affected by an agreement requiring membership in a labor organization as a condition of employment. . . .

"Sec. 13. Nothing in this Act, except as specifically provided for herein, shall be construed so as to either interfere with or impede or diminish in any way the right to strike, or to affect the limitations or qualifications of that right.

"Sec. 14. (a) Nothing herein shall prohibit any individual employed as a supervisor from becoming or remaining a member of a labor organization, but no employer subject to this Act shall be compelled to deem individuals defined herein as supervisors as employees for the purpose of any law, either national or local, relating to collective bargaining.

"(b) Nothing in this Act shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law. . . .

"Sec. 313. It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, or for any corporation whatever, or any labor organization to make a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person to accept or receive any contribution prohibited by this section. . . . For the purposes of this section 'labor organization' means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work."

The Labor Management Relations Act, known as the Taft-Hartley Act, "was enacted in a charged atmosphere, full of recriminations," notes this specialist. How effective is it? "Experience has shown that the fears of labor leaders . . . were exaggerated. . . . On the other hand, even [its] sponsors . . . have conceded that many of its provisions were poorly conceived and that the act needs revision."

Labor under the Taft-Hartley Act

By Sar A. Levitan

Labor Specialist, Legislative Reference Service, Library of Congress

The Taft-Hartley Act is a very complex law. It contains numerous provisions regulating union activities as well as the content and procedures of collective bargaining. This brief analysis of the act emphasizes the provisions which have bearing upon currently pending labor reform legislation.

Twelve years have elapsed since Congress enacted the Labor Management Relations Act in 1947. This law, popularly known as the Taft-Hartley Act, replaced the Wagner Act of 1935, one of the corner stones of the New Deal legislation. The underlying philosophy of the Wagner Act was based on the assumption that collective bargaining between labor and management is desirable to strengthen the economy. Moreover, the Wagner Act assumed that government protection of unions is needed, if collective bargaining is to flourish.

The Wagner Act and expanded economic activity during World War II spurred the growth of trade unions. Their membership rose from 3 million before the passage of the Act to 15 million 12 years later. Unions succeeded in organizing the bulk of the production workers in American mass production industries.

The end of World War II was followed by considerable industrial unrest. During 1945 and 1946 there were protracted strikes in a number of basic industries, including coal, steel and automobiles. A brief strike also halted most of the nation's railroads. Unions were blamed for retarding reconversion of industry to the production of consumer goods and the accompanying rise in prices. The fact that some unions were controlled by Communist leadership further increased public criticism of unions.

The Wagner Act kept the government out of active regulation of collective bargaining. It was assumed that if workers were guaranteed the right to organize and to engage in collective bargaining through their representatives, unions and management would resolve the problems of industrial relations. In contrast, the authors of the Taft-Hartley Act held that government regulation of collective bargaining was needed to protect the interests of individual workers, management and the public. In 1947, the Eightieth Congress replaced the Wagner Act with the Taft-Hartley Act.

The new act retained the Wagner Act provisions pertaining to the right of workers to organize and to engage in collective bargaining under government protection. But in order to protect the various interests of the parties concerned with collective bargaining,

In addition to his other duties, **Sar A. Levitan** teaches collective bargaining at the Johns Hopkins University. He is the author of *Federal Assistance to Depressed Areas, Government Regulation of Internal Union Affairs* and other studies published by congressional committees, journals and the *Encyclopedia Britannica.*

Congress added numerous new provisions regulating the content and procedures of labor-management relations. Underlying these new provisions were the following three assumptions:

(1) Workers need the protection of the law against abuse of power by labor leaders.
(2) The business community needs governmental assistance to equalize the alleged excessive powers that unions possess in collective bargaining.
(3) The public at large needs protection against work stoppages which may threaten the very health and safety of the community.

Internal Union Affairs

In line with the first assumption, the Taft-Hartley Act contains a number of provisions regulating the internal affairs and administration of unions. The aim of these provisions is presumably to guarantee the rights of workers in relation to their unions.

In order to protect the right of a worker to secure new employment, the Act banned closed shop agreements, which limited hiring to union members only. However, union shop agreement remained legal. Under this type of agreement an employer may hire any worker, but the new employee is required to join the union within a specified period of time, usually 30 days after hiring. To secure a union shop a majority of employees had in the first place to select the union to represent them in collective bargaining. A special provision of the Act (Section 14b) permitted states to outlaw union shops or any other form of union security.

Senator Robert A. Taft, the chief sponsor of the Labor-Management Relations Act, held that the continuance of union security provisions made it incumbent upon Congress to guarantee the rights of workers in relation to their unions.

The Taft-Hartley Act specifically guarantees the rights of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership (Sec. 8b (1) (A)). But within this framework, the Act sets forth certain limitations and restrictions upon union activities designed to protect the rights of individual workers from union coercion or restraint. Congress qualified the rights of unions to determine eligibility for membership where a union shop is in effect. The union may not force an employer to discriminate against an employee on any "ground other than his failure to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership" (Sec. 8(b)(2)).

The Act also prohibits unions from charging excessive or discriminatory initiation fees or dues. By paying his initiation fee and dues an employee fulfills his obligations to a union under the provisions of the Act, which prohibits discrimination by an employer against an employee for non-membership in a union when a union shop is in effect.

Annual Financial Reports

Before a union becomes eligible for protection by the National Labor Relations Board, a local union and the national or international organization with which it is affiliated must register and file certain reports. The union must file with the United States Secretary of Labor detailed statements showing the names of its officers, procedures by which they were elected and the compensation of the principal officers, the minimum and maximum initiation fees and dues, and a detailed financial statement of union receipts and disbursements. These reports must be filed annually and all the members of the union must be furnished copies of the financial statement.

Based on the legislative history of the provisions relating to financial reporting, the United States Department of Labor has kept the financial reports confidential. Only members of congressional committees and the National Labor Relations Board have access to the files, in addition to individual union members who may inspect the reports of their own unions.

About a third of the 72,000 labor organizations in the nation currently file financial reports under the Taft-Hartley Act, and altogether about 41,000 organizations have filed at least one report since 1947. Many local or national unions that have refrained from filing reports do not have any cause to resort to the N.L.R.B. This applies particularly to government employees' unions. In addition, the United Mine Workers and the Typographical Union have chosen to carry on without the assistance of the N.L.R.B.

In 1957 the Department of Labor revised the financial forms that unions are required to file. The new forms requiring more detailed information resulted from the McClellan Committee disclosures. Union spokesmen have asserted that the filing requirements, as required by the recent revisions, impose an undue and largely unnecessary burden. The problem is particularly apparent in the case of smaller locals with no officials technically competent to supply information requested in the forms. Consequently, they are forced to spend part of their funds for specialized aid.

Business vs. Union Filing

Financial reporting by business to the Securities and Exchange Commission is required only of those corporations with an investment of $300,000 or more, while all unions desiring to use the service of the N.L.R.B. regardless of size, must file reports. Union spokesmen have also taken exception to the financial reporting requirements on the ground that information which the Department of Labor requires of unions is more detailed than that which the Securities and Exchange Commission requires of business. Unions must file details on payments to all officers, employees and agents receiving $5,000 a year or more; the comparable figure for corporations is $30,000, and the requirement applies only to directors and the top three officers. The unions must also itemize allowances, gifts and non-cash payments made to officers or employees, while the Securities and Exchange Commission does not require such detail from corporations.

Only time will tell whether in the future the new detailed financial reports required of unions that use the services of the N.L.R.B. will eliminate or reduce the misappropriation or misuse of union funds, such as has been disclosed by the McClellan Committee. The fact is that the Teamsters, Engineers and Bakers did comply with the earlier Taft-Hartley reporting requirements, but this did not prevent the misuse of union funds.

The Non-Communist Affidavit

In addition, each officer of the union and of the parent body must file annually an affidavit declaring that he is not a member of the Communist party and that he does not believe in and is not a member or supporter of an organization that believes in or teaches the overthrow of the United States government by force or any illegal methods.

The intent of this provision was to aid members in Communist-dominated unions to clean their organizations of Communist leaders and to eliminate political strikes. Opponents of the measure felt that it offered a gratuitous insult to American labor leaders to compel them to sign affidavits which impugn their loyalty and that the filing of affidavits would not achieve the objective of driving Communists (or pro-Communists) out of union office. In the application of the provision, the N.L.R.B. took the position that a union fulfills the non-Communist affidavit requirement when all the officers of the union sign the form even if there is cause to question the veracity of some signatories. Fraudulent cases are handled by the Department of Justice.

The effectiveness of the non-Communist affidavit has been open to question. Certainly Communist influence in unions has been appreciably weakened since the passage of the Taft-Hartley Act. But it is doubtful whether the requirement to file an affidavit has materially contributed to this development. Possibly in a number of cases Communist union leaders have had to relinquish their positions, but in some instances, it has been claimed, they continued to dominate unions, while other members "fronted" for them. The fact that known Communist leaders could not continue in a position of leadership in unions must have helped other unions take over locals from Communist-dominated organizations. But most of the ten Communist-dominated unions that the C.I.O. expelled in 1949 and 1950 had filed non-Communist affidavits. It is doubtful, therefore, whether the Act has been instrumental in helping unions rid themselves of Communist domination where such leadership had succeeded in infiltrating American unions.

Finally, the Taft-Hartley Act regulates the internal affairs of unions by curbing their political activities. The act prohibits unions from making contributions or expenditures in connection with federal elections, political conventions or party caucuses. The restrictions upon union financial contributions for

political purposes have been justified on the basis that American labor has refused to express allegiance to any political party, and the expenditures of union funds for political purposes is not a proper area of union activity. According to this view, union contributions for political purposes constitute an abridgement of the rights of those members who oppose these expenditures. Business corporations also are prohibited from making political contributions.

It appears questionable whether the prohibition has appreciably prevented the use of union funds for political activities. The courts have chosen to construe the section rather narrowly. Moreover, the Taft-Hartley Act imposes no limitations upon educational activities, which many unions have interpreted rather broadly. The distinction between political education and union contributions for political purposes is rather a hazy one. So, although unions cannot contribute to political campaigns, they conduct educational activities which may be of considerable political significance.

Assistance to Management

The major provisions aimed at protecting management against unfair labor practices deal with restrictions upon secondary boycotts, picketing, featherbedding and jurisdictional disputes.

A secondary boycott is an attempt by a union to influence an employer to exert economic pressure upon another employer with whom the union has a dispute. The Taft-Hartley Act contains a blanket prohibition against this type of boycott. But in actual industrial relations it has been frequently very difficult to differentiate between a primary and a secondary boycott.

The United States Supreme Court has found that to ban all secondary boycotts would prevent unions from exerting pressure on employers with whom the unions have primary disputes. Consequently a number of secondary boycotts have been held legal under Supreme Court rulings. Whether additional and more precise prohibition of secondary boycotts is desirable has remained a bone of contention. Moreover, the justification for secondary boycotts is that the employer against whom the union exercises pressure is not necessarily an innocent bystander in the conflict between the union and the other employer. This issue is one of the major controversies in the currently pending labor reform legislation before Congress.

Picketing and Featherbedding

Another issue deals with the right of a union to picket an establishment where the union does not represent the employees. The Taft-Hartley Act and National Labor Relations Board interpretations provide for specific procedures under which a union can establish the claim that it represents a majority of employees in a given establishment. Once a union establishes that it represents a majority of the employees it wins the right to bargain for them and to picket the premises, if an amicable settlement is not reached.

Unions have, however, frequently resorted to picketing the premises of an employer without establishing proof that the majority of the employees want to be represented by a union. This is usually referred to as organizational or recognition picketing. In general, organizational picketing is aimed at persuading employees of the desirability of union representation. Recognition picketing is an attempt to pressure the employer to grant the union recognition without the needed evidence that it represents a majority of the employees.

Whether unions should be allowed to picket the premises of an employer when the employees have not shown prior interest in being represented by the union has been debated for years. Frequently this is the only means by which a union can organize nonunion employees. Union spokesmen insist that to deny them the right to picket to advertise peacefully that an employer does not employ union labor or to persuade the employees to join the labor organization would constitute an infringement on freedom of speech.

Opponents of this type of picketing maintain that it should be outlawed. They assert that the law provides for an orderly procedure by which the union can organize employees and establish the right to represent them. Resort to picketing is a form of coercion and should be banned.

Featherbedding refers to the practice of some unions to require employers to pay for unnecessary work or to hire an excessive

number of employees. The Taft-Hartley Act prohibits featherbedding devices by unions. But this provision has rarely been enforced since this is a highly technical subject. In most cases it is difficult for an outsider to determine what constitutes featherbedding devices and the courts have usually refused to determine the number of employees needed to perform a given task and what constitutes useful or needed work.

Jurisdictional Conflicts

Another Taft-Hartley provision, aimed at protecting employers, bans jurisdictional strikes. This type of strike occurs when two different unions attempt to organize the same group of employees or claim the right to perform the same work. In such cases the employer is frequently an innocent victim in a strife between unions. When the dispute is between two unions over the claim to perform a certain type of work, the National Labor Relations Board is authorized to determine to what union the work is to be assigned, unless the unions can settle their differences without governmental interference.

Jurisdictional disputes have been common in the construction industry. The ban on jurisdictional disputes and the authority given to the N.L.R.B. to resolve these disputes have stimulated unions to set up private machinery to settle jurisdictional differences.

Emergency strikes

The Taft-Hartley Act recognizes the public interest in strike stoppages by establishing a special procedure for regulating work stoppages which threaten the "national health and safety." The Act authorizes the President of the United States to determine when a national emergency dispute exists. He then appoints a special board of inquiry, which makes a preliminary report to the President. Upon receiving the board's report, the President may instruct the Attorney General to seek an injunction which would prohibit the work stoppage for 80 days.

If the dispute is not settled within 60 days, the special board of inquiry reports to the President the issues involved in the dispute and the employer's last offer. During the succeeding 15 days, the National Labor Relations Board polls the workers involved in the dispute as to whether the employer's offer is acceptable to them. After a total of 80 days the injunction is dissolved and the work stoppage may be renewed. The President then may report to Congress the outcome of the proceedings with or without his recommendations as to the action needed to resolve the dispute.

In the 12 years since the enactment of the Taft-Hartley Act the emergency procedure has been invoked 15 times; ten times by President Truman and five times by President Eisenhower. In 4 of the 15 cases strikes occurred after the 80-day injunction had expired and several other cases were not settled during the mandatory cooling-off period.

While many observers have expressed criticism of the Taft-Hartley emergency strike provisions, no sweeping changes have been offered. The proposals to amend the emergency provisions have pointed to the desirability of a greater flexibility in the application of the provisions and the elimination of the final-offer ballot. The wisdom of the mandatory use of injunction has been questioned; this procedure might be used only as a last resort, if either of the parties refuses to comply with the waiting period requested by the President.

Conclusion

A dozen years have elapsed since the passage of the Labor Management Relations Act. It was enacted in a charged atmosphere, full of recriminations. Labor spokesmen referred to the law as the "slave labor act." Experience has shown that the fears of labor leaders about the impact of the act were exaggerated. Labor has dropped its adamant insistence that the act must be repealed and has suggested that it be amended. On the other hand, even the sponsors of Taft-Hartley have conceded that many of its provisions were poorly conceived and that the act needs revision. The late Senator Taft had proposed a number of changes and the present Administration has sponsored a series of amendments to the act in the last three Congresses. In the interest of sounder regulation of labor management relations a thorough overhauling of Taft-Hartley is long overdue.

". . . It is appropriate that the Government insure internal democracy in unions because unions exist and operate under protection and powers provided by the Government in a unique manner and to an unequaled extent," notes this specialist, who believes that "If unions are to have powers of industrial government, they must also be bound by the democratic obligations of Government." Here is a summary and evaluation of recent suggestions for increasing government control over labor unions.

Proposals for Change in Labor Legislation

By Monroe H. Freedman
Assistant Professor of Law, George Washington University

In a recent cartoon by Bill Mauldin, a mule (or perhaps a jackass) labeled "Public Opinion" stands with its ears back and its hoof poised. Nonchalantly leaning on the animal's rump is a man labeled "Labor Baronies." In the foreground, supporting himself on a crutch, is a slightly older man labeled "Business Baronies," who comments, "I'll never forget the last time he laid those ears back."

It is likely that the mule's hoof will fly in the present session of Congress or soon after. The well-publicized investigations of the Senate Select Committee on Improper Activities in the Labor or Management Field, headed by Senator John L. McClellan of Arkansas, appear to have aroused substantial public sentiment in favor of corrective legislation. The question at this time seems to be how hard and how well-directed the kick will be.

In the current session of Congress, three major bills were submitted for the consideration of the Senate Committee on Labor and Public Welfare. These were the Kennedy-Ervin bill[1] (S. 505), the Administration bill (S. 748), and the McClellan bill (S. 1137). On the recommendation of its Subcommittee on Labor, of which Senator John Kennedy is the Chairman, the Committee favorably reported the Kennedy-Ervin bill to the Senate (as S. 1555) with some modifications. This bill was substantially similar to the Kennedy-Ives bill which had passed the Senate by a vote of 88 to 1 in the previous Congress, but was lost in a close vote in the House.

Monroe H. Freedman was recently consultant to Senator McClellan on labor reform legislation during the last session of Congress. A Faculty Assistant at Harvard Law School for two years, Mr. Freedman has also practiced law in Philadelphia.

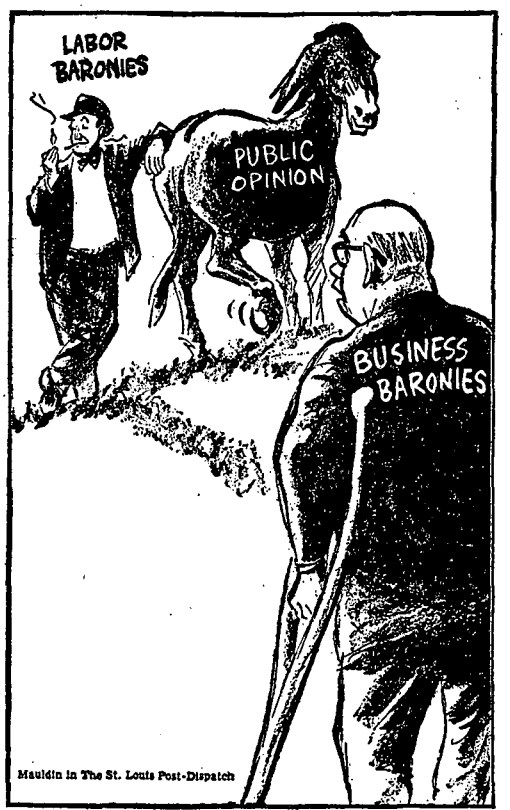
Similarities in Proposed Bills

There was substantial agreement among the three bills in several major areas. Each bill was apparently premised on the theory that the first major legislative attempt to eliminate the corruption and racketeering that had been shown to exist in some unions should depend primarily upon internal reform, with a minimum of government regulation. In order to achieve this, each bill provided for public reports filed with the Secretary of Labor disclosing information relative to union finances, control and conflicts-of-interest.

To permit union memberships to make use of this information and thereby maintain honest leadership through democratic procedures, each bill also provided certain minimal election safeguards. These covered frequency of elections, manner of voting, requisite notice, and the right to be, nominate, or vote for, a candidate.

Union trusteeships, which were originally

[1] For excerpts from this bill, see pp. 173 ff.



"I'll never forget the last time he laid those ears back."

designed to suspend local control of unions pending ouster of dishonest or incompetent leadership, have been used in some instances to mulct local finances and manipulate elections. Accordingly, there were similar provisions in each bill regulating trusteeships and requiring reports of relevant information.

Each bill also had a provision prohibiting persons convicted of serious crimes from holding union office during limited periods of time. These provisions have been criticized as being inconsistent with the policy of minimizing government regulation and leaving reform to internal democratic action, but they are consistent with numerous statutory bars prohibiting convicted felons from voting or holding public office. Moreover, the demonstrated relationship between corruption in some unions and previously convicted criminals justifies this limited statutory restriction. Certainly the disclosure and election provisions will be more effective if, at the outset, dishonest persons are removed from responsible positions.

The enumerated crimes, however, should include only those relevant to competency for union office. As reported out of committee, the Kennedy-Ervin bill would have barred from union office a man who had served a prison term for rape, but would have permitted one convicted of embezzlement from a union to continue to hold union office if given a suspended sentence. In addition, it would have permitted an embezzler or extortionist to remain in office after conviction, pending appeal. Both these deficiencies were corrected by amendment on the Senate floor prior to passage of the bill.

Finally, all three bills would have outlawed extortion picketing; that is, picketing threatened or carried on for the personal enrichment of a union agent or officer rather than for a legitimate union end.

Taft-Hartley Amendments

Because of the more controversial nature of amendments to the Taft-Hartley Act, there was considerable opposition to including any such amendments in a reform bill concerned primarily with disclosure and internal democracy. The opinion was expressed by many, notably Senator Ervin, that disagreement on Taft-Hartley amendments would jeopardize passage of any reform bill. Concurring in this view, Senator McClellan introduced four major Taft-Hartley amendments in separate bills (S. 1384-S. 1387).

The A.F.L.-C.I.O. announced, however, that it would not support any reform measure that did not include so-called "sweeteners." Accordingly, both the Kennedy-Ervin bill and the Administration bill included certain Taft-Hartley amendments favored by the unions. The most important of these related to loosening of restrictions on union organizing in the building and construction trades and eliminating the prohibition against voting by displaced economic strikers in representation elections.

Having thus opened the door to Taft-Hartley amendment, the Administration bill also included provisions on other controversial Taft-Hartley matters, such as secondary boycotts, recognition picketing and the jurisdictional "no-man's land." This last refers to those labor disputes which the states have been precluded from settling because of preemption by the Taft-Hartley Act, and over which the National Labor Relations Board has declined to assert jurisdiction. Under

the Administration proposal, as under Senator McClellan's, the states would be permitted to act whenever the Board declined to do so.

The Kennedy-Ervin bill, on the other hand, had no restrictions on secondary boycotts or recognition picketing, and took an approach different from the Administration's with respect to the jurisdictional gap. It would have required the Board to assert jurisdiction except where the board had formally ceded jurisdiction to a state agency. In view of the fact that the provision for cession of jurisdiction now in the Taft-Hartley Act has proved ineffectual, it was soon recognized that the Board would be compelled to overcrowd its docket with many cases of insignificant national importance. This provision was therefore replaced, first by the Morse Amendment and then by the Cooper Amendment.

Unfortunately, neither of these would have the desired effect, and Senator John S. Cooper's provision, which was ultimately adopted by the Senate, will do little if anything to close the gap. Under it, the Board is not required to adjudicate all disputes within its jurisdiction and, contrary to the McClellan, the Administration, and the original Kennedy bill provisions, there is no assurance that the states would be able to act when the Board does not. Before any state can move into the gap, it must first establish a labor-management relations agency to be governed solely by the relevant provisions of the Taft-Hartley Act. Moreover, the state agency would have no power to enjoin an unfair labor practice without first obtaining the approval of the General Council of the N.L.R.B. No state at the present time has an agency that would qualify under this provision, and it seems extremely unlikely that any state, let alone a substantial number of states, would establish one.

The Kennedy-Ervin bill as it passed the Senate also contained Taft-Hartley amendments relating to hot cargo agreements in the trucking industry and to recognition picketing. The hot cargo provision prohibits employers from agreeing not to order employees to carry goods coming from or designated for another employer involved in a labor dispute and makes it an unfair labor practice for a union to insist upon such a clause.

The recognition picketing provision, however, will probably not substantially affect the top-down organizing tactics against which it is apparently directed. This activity, sometimes called "blackmail picketing", is used to exert economic pressure on an employer in order to compel him to recognize a union regardless of any expression of approval by his employees. Since the present Kennedy-Ervin provision refers only to "forcing or requiring" an employer or his employees to recognize or accept the union, the same activity might be held permissible as long as the pickets purported to be engaged in organizational picketing; that is, peaceful persuasion of employees to unionize. For both practical and theoretical reasons, a distinction between recognition and organizational picketing is a valid one, but the effect would be to deprive the recognition picketing prohibition of any practical effect. Most important, the provision is expressly limited to cases in which the employer has properly recognized another union or in which the employees have voted against unionization within the preceding nine months.

Apart from any considerations of jeopardizing passage of a basic labor reform bill, it is unfortunate that any major Taft-Hartley amendments were included in the bill. The Senate Committee on Labor and Public Welfare has recently appointed an eminent panel of experts, headed by Professor Archibald Cox of Harvard Law School, to consider all aspects of Taft-Hartley amendment. In view of the complexities of these issues and the expected contribution of this panel, any amendment of Taft-Hartley at this time seems premature.

The Labor Bill of Rights

When the Kennedy-Ervin bill was taken up for consideration by the Senate, it was doubtful that any substantial amendment could be achieved. However, a severe breach was made in Senator Kennedy's position with the adoption of Senator McClellan's "Bill of Rights for Members of Labor Organizations." Through this breach over 30 amendments ultimately progressed, but none of them was of the importance of the Bill of Rights itself.

Senator McClellan's "totally new labor bill," as Senator Javits called the Bill of

Rights in a speech in opposition, guaranteed the following to every union member:

(1) Equal rights and privileges within the union, including identical voting rights and equal protection of union rules and regulations;
(2) The right to speak freely on any matter of interest to the union;
(3) The right to meet freely with any other members to discuss union matters;
(4) The right to vote on any assessment or any increase in dues; in addition, initiation fees were limited to a maximum of 75 per cent of the prevailing weekly wage;
(5) The right to appear as a witness in any judicial, administrative, or legislative proceeding, and to sue the union or any officer, subject to the right of the union to require exhaustion of reasonable remedies within the union;
(6) Protection against expulsion or other disciplinary action without a full and fair hearing and other procedural safeguards; and
(7) The right of any bonafide candidate for office to use union membership lists for purposes relating to his candidancy.

These rights were protected by providing criminal penalties of up to $10,000 and/or imprisonment for two years, and by empowering the Secretary of Labor to take appropriate legal action to prevent violations. Both these sanctions were patterned upon provisions already in the Kennedy-Ervin bill.

No similar rights were included in either the Kennedy-Ervin or the Administration bills. However, the importance of these rights, as a necessary complement to the disclosure and election provisions, is clear. The proposition hardly needs argument that "free and fair elections" are not truly free and fair in the absence of the right to speak and assemble without fear of disciplinary action. That disclosure alone is ineffective is demonstrated by the failure of existing disclosure provisions of the Taft-Hartley Act (sections 9(f) and (g)). This fact is recognized implicitly in both the other bills in their provision for minimum election standards, and in the approval expressed in the Kennedy-Ervin bill of establishment of voluntary Codes of Ethical Practices "to safeguard the democratic rights and privileges of [union] members."

However, these minimal provisions are not sufficient, of themselves, to protect union members where necessary and to empower them to take effective action. As recently demonstrated in the expulsion of the Teamsters from the A.F.L.-C.I.O., voluntary codes, though desirable, are of limited efficacy. A.F.L.-C.I.O. President George Meany stated before the House Committee on Education and Labor:

> . . .We sympathize with the motives of those who sincerely believe that the time has come when it is no longer sufficient to rely upon internal union procedure to safeguard members' rights and assure honesty in union administration. We acknowledge that the corrective actions we can take are limited both in their effects and in their scope. There are limits to what we can do and there are important unions outside our ranks that we can not reach.

Such rights are of course justifiable independently of any issue of eliminating corruption. The very justification for unionization is the fact that the individual employee in an industrial economy has no power when he stands alone to deal effectively with his corporate employer. Only through unionization and collective bargaining can the individual worker make himself heard at the bargaining table. This justification becomes meaningless when the individual worker is as voiceless within his union as he was within his industry.

Moreover, it is appropriate that the Government insure internal democracy in unions because unions exist and operate under protection and powers provided by the Government in a unique manner and to an unequaled extent. Once a union has been certified by the National Labor Relations Board, for example, the employer is compelled to bargain with that union as the exclusive representative of all the workers within the bargaining unit. If unions are to have powers of industrial government, they must also be bound by the democratic obligations of government.

After extensive debate on the Senate floor, including a two-hour oration by Senator McClellan, the Bill of Rights was adopted in a dramatic 47 to 46 vote. A motion to reconsider was tabled by an equally dramatic 46 to 45 vote, with Vice-President Richard Nixon breaking the tie.

Immediately thereafter, the labor lobbyists, who had miscalculated the support for

the Bill of Rights, actively pressed for a compromise provision. They were successful in disaffecting from the majority several Eisenhower Republicans and a number of Southern Democrats. To the latter group the argument was made that the enforcement powers of the Secretary of Labor might result in criminal contempt convictions without jury trial, contrary to the Southern position on the Civil Rights Act. Appeal to racism was also used in attacks on the provision for equal rights and privileges within unions.

Ultimately, a compromise bill of rights was adopted that preserved the essential elements of the original proposal. The compromise deleted the Secretary's enforcement powers, substituting an individual cause of action in any aggrieved member; deleted the arbitrary maximum limitation on initiation fees; modified the provision giving access to membership lists to candidates in union elections; modified the required disciplinary procedures; and made the Bill of Rights effective immediately upon passage of the Act, rather than allowing the unions two years to amend their constitutions and bylaws.

In addition, exercise of free speech and assembly and other rights were made expressly "subject to reasonable union rules and regulations." Although this modification has received the most attention (the National Association of Manufacturers and Chamber of Commerce contend that it vitiates the Bill of Rights), such a limitation was necessarily implicit in the original proposal. Not even the "absolute" right of free speech in the First Amendment to the Constitution precludes reasonable limitations on defamation, incitement to riot or other abuses.

The most important feature of the compromise, which left intact the major individual rights, was not in any substantive change, but in the fact that the Bill of Rights as revised received the support of an overwhelming (77 to 14) vote of the Senate, with every Senator considered friendly to labor voting in the majority. The Senators in the minority, it should be noted, favored a stronger bill of rights than that adopted.

The major deficiency of the Bill of Rights is the absence of a provision requiring equal eligibility for union membership. Many unions still impose a racial bar or other unreasonable limitations on membership. The Bill of Rights, as it first appeared in Senator McClellan's original reform bill, contained a section requiring admission of any applicant meeting reasonable qualifications uniformly imposed. Before the Bill of Rights was proposed as an amendment to the Kennedy-Ervin bill, however, this clause was deleted, in response to threats by representatives of the A.F.L.-C.I.O. to use it as a racial issue to defeat the bill as a whole.

The Barden Bill, which has been introduced in the House (H.R. 4473), does have a provision relating to "eligibility for membership." This clause, however, has been carefully and purposefully drafted so as to have no effect on racial exclusion. Under it, the applicant must already be a member of a "bargaining unit for which a particular labor organization is the representative," which would permit segregation in any local union representing segregated shops. In addition, although qualifications must be "uniformly prescribed," there is no requirement that such qualifications be reasonable. Uniform exclusion of Negroes would therefore be permissible. Surprisingly, the American Civil Liberties Union recently supported this provision as giving "explicit recognition" to the right to join a union regardless of race.

Union Opposition

In a statement by President Meany before the House Committee on Education and Labor, the A.F.L.-C.I.O. has referred to the provisions of the Bill of Rights as "basic principles which should be included in all union constitutions and bylaws." As already noted, Mr. Meany has also conceded that "there are limits to what we can do and there are important unions outside our ranks that we can not reach." Nevertheless, the A.F.L.-C.I.O. has vehemently attacked the compromise Bill of Rights that passed the Senate.

Despite the fact that the Bill of Rights was before the Senate Subcommittee on Labor many weeks before the Senate debate, and despite the lengthy debates and revision of the Bill of Rights by the Senate, the A.F.L.-C.I.O. has argued that the amendment did not receive proper consideration. They have contended further that there is

no need for a Bill of Rights, because "nearly all, if not all," of the unions "affiliated with the A.F.L.-C.I.O." provide the same rights in their constitutions and bylaws. It is also true, of course, that nearly all of the unions affiliated with the A.F.L.-C.I.O are free of corruption and hold fair elections, yet the A.F.L.-C.I.O. does not oppose legislation on these matters on that ground. The legitimate concern of the Congress is that not all unions, even within the A.F.L.-C.I.O. guarantee these protections to their members, in form or in fact.

The unions, apparently no longer satisfied with the explicit provision permitting reasonable union rules and regulations, have also attacked the free speech and assembly provisions as too vague. Undoubtedly some litigation will be necessary in borderline cases, but these rights are of sufficient importance to justify occasional ligitation. Union members may now be disciplined for criticizing officers or even for expressing political views of which the union disapproves.

The argument has also been made that in setting forth specific voting procedures for assessments and dues increases, the bill would preclude an international union from conducting a referendum on such matters. However, section 103 of the Bill of Rights expressly preserves any membership rights broader than those enumerated. It is argued further that there is "absolutely no reason" for prohibiting an international union from increasing dues by unilateral action of an officer or an executive board. This, however, is an effective check on fiscal abuses and, as recognized in the constitutions of many unions, is a matter of vital interest to individual members.

Another objection is that the provision permitting unions a maximum of six months to require members to exhaust internal procedures before bringing suit "is grossly inadequate . . . since the grievance and arbitration machinery very often takes substantially in excess of six months." The thrust of this argument, apparently, is that what is, is right. The very reason that such a provision is necessary—permitting a member to seek redress in the courts if he has not received satisfaction within six months—is that grievance procedures within the unions too often do take more than six months, thereby placing a substantial and unfair burden on the aggrieved member.

The A.F.L.-C.I.O. has also complained that the procedural safeguards against unfair disciplinary action are unreasonable because the requirement of "written specific charges" is too vague; because "full and fair hearings" is an uncertain standard; and because the entire section "is such as to clearly invite contests in the courts" on disciplinary cases involving "only a $10 fine." However, a charge must only be specific enough to inform the accused member of the offense that he has allegedly committed, and litigation is unlikely in minor matters or in those in which a substantial denial of rights cannot be shown by the complaining member, who would bear the burden of proof.

Other union objections to a labor bill of rights are equally insubstantial. That honest unions can operate successfully under these standards is demonstrated by the large number that already do so. In view of the important role of unionization in providing industrial democracy, it is a disturbing fact that the primary opposition of organized labor has been directed at these provisions.

A justifiable suggestion that has been made is that the penalty of $10,000 and/or two years imprisonment is too heavy. No one could be successfully prosecuted, of course, who did not "wilfully" deprive a member of his rights. Union complaints are therefore groundless that officers will be imprisoned for expelling drunken members from meetings, or for following Roberts' Rules of Order. It would be preferable, however, to reduce the penalty to a misdemeanor carrying a maximum of $5,000 fine and one year imprisonment, but adding a bar to holding union office against anyone convicted of violating the Act.

Labor Legislation in the House

On July 23, the House Committee on Education and Labor reported out H.R. 8342,[1] which was formally introduced by Representative Carl Elliott of Alabama. This bill, which is considerably weaker than the Senate-passed Kennedy-Ervin Bill (S. 1555), was endorsed in the Committee Report by only five of the 30 committee members.

[1] See pp. 173 ff. of this issue for pertinent excerpts from both House bills.

On July 27, Representatives Phil M. Landrum of Georgia and Robert P. Griffin of Michigan introduced H.R. 8400 and H.R. 8401. These bills, which are identical, are in many respects a compromise between S. 1555 and H.R. 8342. However, with regard to several Taft-Hartley amendments, the Landrum-Griffin Bill goes further than either of the others. Very briefly, some of the major areas of controversy among the pending bills are as follows:

1. *Bill of Rights.* H. R. 8342 would eliminate any effective sanction from the bill of rights. No criminal penalties are provided, even for a wilful deprivation of a member's rights by force and violence. The Secretary of Labor would have no investigatory or enforcement powers. The only remedy would be a civil action by the aggrieved member at his own expense. If he were successful, he could obtain an injunction against a repeated deprivation of the identical right, in the identical manner as charged in the first action. Damages would be difficult to prove and would not be an effective deterrent.

The Bill of Rights would be severely limited substantively also, by a provision permitting the union to require "loyal observance by every member of such labor organization of his responsibility as such toward . . . the labor movement as a whole." Under such a provision, a union member could probably be expelled or fined for speaking in favor of a political candidate or issue which his union opposed.

The Landrum-Griffin bill would restore effective sanctions to the Bill of Rights. It would also eliminate the language referring to loyalty "toward the labor movement as a whole." As under S. 1555, however, a union could protect itself against dual unionism by requiring loyalty to the union "as an institution."

2. *Prohibition Against Ex-convicts.* Both H.R. 8342 and the Landrum-Griffin bill would permit an officer convicted of embezzlement or other felony to remain in office pending appeal of his conviction. A similar provision in the Kennedy-Ervin bill was deleted by the Senate before passage of S. 1555.

3. *Exemption of Small Unions.* H.R. 8342 would automatically exempt thousands of unions from the reporting and disclosure requirements. Included in the exempt category would be the notorious "paper locals," established solely for corrupt purposes. The Landrum-Griffin bill and S. 1555 would permit exemption of small unions only by exercise of discretion by the Secretary of Labor.

4. *Taft-Hartley Amendments.* H.R. 8342 would substantially nullify the S. 1555 hot cargo provision with a proviso permitting employees protected by a hot cargo clause to honor picket lines without penalty of discharge. The Landrum-Griffin bill would eliminate this latter proviso and would extend the hot cargo proscription to all unions.

S. 1555 and H.R. 8342 have no provisions dealing directly with secondary boycotts. The Landrum-Griffin bill would tighten up section 8 (b) (4) of the Taft-Hartley Act in substantially the same manner as proposed by the Administration and by Senator McClellan.

H.R. 8342 would deal with the no-man's-land jurisdictional problem by requiring the N.L.R.B. to exercise its jurisdiction in all cases, and by providing for substantial delegation of the Board's functions. The Chairman of the N.L.R.B. opposed such a proposal in his testimony before the House Committee. The Landrum-Griffin bill, similar to the Administration and the McClellan bills, would permit the states to fill the gap by adjudicating disputes of insignificant national interest.

Conclusion

These, then, are the areas at which the mule's hoof is now directed. If the kick is well-placed, much will have been accomplished to assure honest and democratic operation of American unions, for the benefit of unions, union members and the public at large.

"In our foreign policy we have developed a dangerously distorted pattern—a general overemphasis on the importance of preserving the status quo, a habit of over-reaction to moves of the Soviet bloc, and in recent years, a failure to institute broad but flexible programs to deal with the infinitely complex problems of a world in the process of rapid and often violent change.
—*Hubert H. Humphrey, U. S. Senator from Minnestoa, in an address delivered March 3, 1959.*

Some comments on books recently . . .

Received At Our Desk

Studies in Economics

AMERICAN TRADE UNION DEMOCRACY. By William H. Leiserson. (New York: Columbia University Press, 1959. 354 pages, index, $7.50.)

The late Dr. Leiserson's analysis of trade union government and its problems is timely indeed. Chapters on the labor union and union democracy, the union executive and various union governments are specially pertinent for debaters and for all citizens. Will unionism become the worker's enemy? This book will help readers make up their own minds.

ALTGELD'S AMERICA: THE LINCOLN IDEAL VERSUS CHANGING REALITIES. By Ray Ginger. (New York: Funk & Wagnalls, 1958. 376 pages, index, $4.95.)

A lively account of Chicago during the governorship of John Peter Altgeld and the changes made by the industrial revolution in the Lincoln ideal. As Ray Ginger describes his book: "It is not the story of Chicago alone; for it tells of how industrialism came into the world, arm in arm with the search for profit, and of the troubles the marriage made, and of how people of noble purpose labored to overcome those troubles.

FOUNDATIONS OF CAPITALISM. By Oliver C. Cox. (New York: Philosophical Library Inc., 1959. 500 pages, bibliography, $7.50.)

A history of industrial capitalism, focussed on "the structural designs of capitalist societies, their integration in a world-wide system, and their cultural potentialities," according to the sociologist-author.

HERBERT HOOVER AND THE GREAT DEPRESSION. By Harris Gaylord Warren. (New York: Oxford University Press, 1959. 372 pages, index, $7.00.)

Historian Warren retraces the history of the depression years 1929–1933, in an effort to evaluate the achievement of the Hoover Administration. "Herbert Hoover was too progressive for the conservatives and too conservative for the radicals," writes Warren, terming him "the greatest Republican of his generation."

THE ALLOCATION OF ECONOMIC RESOURCES. By Moses Abramovitz and Others. (Stanford: Stanford University Press, 1959. 244 pages, $5.00.)

Thirteen specialists write essays on such topics as "The Welfare Interpretation of Secular Trends in National Income and Product," costs and outputs, investment decisions, and so on.

CLASS AND CLASS CONFLICT IN INDUSTRIAL SOCIETY. By Ralf Dahrendorf. (Stanford: Stanford University Press, 1959. 336 pages, bibliography and index, $6.50.)

A sociologist discusses various theories of class and class conflict, with some original premises and concepts embodying the author's own ideas of class conflicts and social change.

THE MAKING OF AN AMERICAN COMMUNITY. By Merle Curti and Others. (Stanford: Stanford University Press, 1959. 483 pages, appendix, bibliographical notes and index, $8.50.)

This is a very careful and very detailed study of the life of a small community—Trempealeau County, Wisconsin, from 1840 to 1880, in an effort to see whether Frederick Jackson Turner's frontier theory is valid.

INTRODUCTION TO THE NEW ECONOMICS. By Bernard L. Cohen. (New York: Philosophical Library, Inc., 1959. 176 pages, index, $3.75.)

This unorthodox work re-interprets modern economic society in terms of the author's "cellular theory."

Current Documents

PROPOSED CHANGES IN LABOR LEGISLATION

The 86th Congress considered several bills aimed at greater government control of labor unions, and at labor reform. They were all variations of "A Bill to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes."

The Senate bill known as the Kennedy-Ervin bill (S. 1555) was passed by the Senate in April. In the summer of 1959, the House considered two bills: one (H.R. 8342) was introduced by Representative Carl Elliot; the other, a stronger measure, was introduced in duplicate by Representatives Phil M. Landrum and Robert P. Griffin (H.R. 8400–8401).

TAFT-HARTLEY AMENDMENTS

All three bills considered by the second session of the Eighty-Sixth Congress contained amendments to the Labor Management Relations Act of 1947, as amended (the Taft-Hartley Act). Excerpts from these amendments as they appeared in Title VII in each of the three bills are reprinted below so that pertinent sections can be compared:

The Kennedy Ervin Bill—S.1555

TITLE VII—AMENDMENTS TO THE LABOR-MANAGEMENT RELATIONS ACT OF 1947, AS AMENDED

Federal-State Jurisdiction

Sec. 701. Section 14 of the National Labor Relations Act, as amended, is amended by adding thereto the following new subsection as follows:

"(c) (1) Nothing in this Act shall be construed as to prevent any State or Territorial agency other than a court, from exercising jurisdiction over all cases over which the Board has jurisdiction, but by rule or otherwise, has declined to assert jurisdiction: *Provided,* That the State or Territorial agency shall apply and be governed solely by Federal law as set forth in section 8(a) and 8(b), and 9 in this Act, as the case may be, and Board and Federal court rules of decision construing said sections 8(a), 8(b), and 9. Injunctive relief under section 10(j) and 10(l) shall be available to such agency: *Provided further,* That no petition under section 10(j) shall be filed unless it has been expressly approved by the General Counsel of the National Labor Relations Board.

"(c)(2) The State or Territorial agency may petition any district court of the United States within such State or Territory for the enforcement of a final order of such agency and for appropriate temporary relief or restraining order. Such court shall make and enter an order or decree enforcing, modifying, enforcing as so modified, or setting aside in whole or in part the order of such agency.

"(c)(3) Any person aggrieved by a final order of the State or Territorial agency granting or denying in whole or in part the relief sought may obtain a review of such order in a district court of the United States in such State or Territory. Upon such filing, such district court shall proceed in the same manner, and have the same jurisdiction, as in the case of an application for enforcement under section (c)(2)."

* * *

Elections during Strike

Sec. 703. Section 9(c)(3) of the National Labor Relations Act, as amended, is amended by amending the second sentence thereof to read as follows: "Employees on strike shall vote under such regulations as the National Labor Relations Board shall find are consistent with the purposes and provisions of this Act."

* * *

Representatives and Elections

Sec. 705. Paragraph (4) of subsection 9(c) of the National Labor Relations Act, as amended, is amended to read as follows:

"(4) Notwithstanding the provisions of paragraph (1) of this subsection, the Board through its designated representative, if there is reasonable cause to believe that a question of representation affecting commerce exists, may call an informal conference of the parties upon due notice. If at such conference no agreement is reached for a consent election, and there are no substantial issues of fact or law which should be resolved by a preelection hearing, the Board, through its designated representative, may conduct an election in an apropriate unit but not before the expiration of forty-five days following the date of the receipt of notice of the filing of the petition. Any party aggrieved by such proceeding may file a motion for hearing with the Board, but such motion shall not, unless specifically ordered by the Board, operate as a stay of the election. Unless such motion is granted prior to the election or is withdrawn, the Board shall afford the moving party an opportunity for hearing prior to certifying the results of such election."

Boycotts and Recognition Picketing

Sec. 707. (a) Section 8 of the National Labor Relations Act, as amended, is amended by adding at the end thereof a new subsection as follows:

"(e) It shall be an unfair labor practice for any labor organization and any employer who is a common carrier subject to Part II of the Interstate Commerce Act to enter into any contract or agreement, express or implied, whereby such employer ceases or refrains or agrees to cease or refrain from handling, using, or transporting any of the products of any other employer, or to cease doing business with same."

(b) For the purposes of sections 8(a)(5) and 8(b)(3), to bargain collectively shall include the mutual obligation of the employer and the representative of the employees to refrain from proposing, insisting upon, or conditioning any contractual provision upon any clause violating the provisions of section 8(e).

(c) Any contract between an employer and a labor organization or its agents heretofore or hereafter executed which is, or which calls upon anyone to engage in, an unfair labor practice under section 8(e) of the National Labor Relations Act, as amended, shall to such extent be unenforceable and void.

* * *

Sec. 708. (a) Subsection (b) of section 8 of the National Labor Relations Act, as amended, is amended . . . by adding a new paragraph as follows:

["It shall be an unfair labor practice for a labor organization or its agents—"]

"(7) to picket or cause to be picketed, or threaten to picket or cause to be picketed, any employer with the object of forcing or requiring an employer to recognize or bargain with a labor organization as the representative of his employees, or forcing or requiring the employees of an employer to accept or select such labor organization as their collective bargaining representative—

"(A) where the employer has recognized in accordance with this Act any other labor organization (not established, maintained, or assisted by any action defined in section 8(a) as an unfair labor practice) and a question concerning representation may not appropriately be raised under section 9(c) of this Act; or

"(B) where within the preceding nine months a valid election under section 9(c) of this Act has been conducted unless such labor organization has been certified as the representative of employees of such employer pursuant to such election or unless such labor organization has been designated or selected as a representative for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes."

(b) Section 10(1) of the National Labor Relations Act, as amended, is amended by striking out the period at the end thereof and inserting the following: "and section 8(b)(7): *Provided further,* That where a charge is filed under section 8(b)(7) it shall be a defense to show that an unfair labor practice within the meaning of section 8(a) has been committed: *Provided further,* That where there is a failure to seek such appropriate relief the Board shall promptly make public the reasons for such failure."

* * *

Priority in Case Handling

Sec. 709. Section 10 of the National Labor Relations Act, as amended, is amended by adding at the end thereof a new subsection as follows:

"(m) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of subsection (a)(3) or (b)(2) of section 8, such charge shall be given priority over all other cases except cases of like character in the office where it is filed or to which it is referred and cases given priority under subsection (1)."

The Landrum-Griffin Bill—H.R.8401

TITLE VII—AMENDMENTS TO THE LABOR-MANAGEMENT RELATIONS ACT, 1947, AS AMENDED

Federal-State Jurisdiction

Sec. 701. Section 14 of the National Labor Relations Act, as amended, is amended by adding at the end thereof the following new subsection:

"(c) (1) The Board, in its discretion, may, by rule of decision or by published rules adopted pursuant to the Administrative Procedure Act, decline to assert jurisdiction over any labor dispute involving any class or category of employers, where, in the opinion of the Board, the effect of such labor dispute on commerce is not sufficiently substantial to warrant the exercise of its jurisdiction.

"(2) Nothing in this Act shall be deemed to prevent or bar any agency or the courts of any State or Territory (including the Commonwealth of Puerto Rico, Guam, and the Virgin Islands), from assuming and asserting jurisdiction over labor disputes over which the Board declines, pursuant to paragraph (1) of this subsection, to assert jurisdiction."

* * *

Elections during Strike

Sec. 703. The second sentence of section 9(c)(3) of the National Labor Relations Act, as amended, is amended by inserting immediately before the period at the end thereof a colon and the following: *"Provided,* That in any lawful strike in which recognition was not an issue when the strike began, no direction of election pursuant to a petition filed after the commencement of the strike by any person other than the bargaining representative shall issue prior to the termination of such strike as determined by the Board or the expiration of a six-month period from the commencement of such strike (or a twelve-month period if the petition is filed by an employer), whichever occurs sooner."

* * *

Boycotts and Recognition Picketing

Sec. 705. (a) Section 8(b)(4) of the National Labor Relations Act, as amended, is amended to read as follows:

["It shall be an unfair labor practice for a labor organization or its agents—"]

"(4)(i) to engage in, or to induce or encourage any individual employed by any person engaged in commerce or in an industry affecting commerce to engage in, a strike or a refusal in the course of his employment to use, manufacture, process, transport, or otherwise handle or work on any goods, articles, materials, or commodities or to perform any services; or (ii) to threaten, coerce, or restrain any person engaged in commerce or in an industry affecting commerce, where in either case an object thereof is:

"(A) forcing or requiring any employer or self-employed person to join any labor or employer organization;

"(B) forcing or requiring any person to cease, or to agree to cease, using, selling, handling, transporting, or otherwise dealing in the products of any other producer, processor, or manufacturer, or to cease, or agree to cease, doing business with any other person, or forcing or requiring any other employer to recognize or bargain with a labor organization as the representative of his employees unless such labor organization has been certified as the representative of such employees under the provisions of section 9;

"(C) forcing or requiring any employer to recognize or bargain with a particular labor organization as the representative of his employees if another labor organization has been certified as the representative of such employees under the provisions of section 9;

"(D) forcing or requiring any employer to assign particular work to employees in a particular labor organization or in a particular trade, craft, or class rather than to employees in another labor organization or in another trade, craft, or class, unless such employer is failing to conform to an order or certification of the Board determining the bargaining representative for employees performing such work: *Provided,* That nothing contained in this subsection (b) shall be construed to make unlawful a refusal by any person to enter upon the premises of any employer (other than his own employer), if the employees of such employer are engaged in a strike ratified or approved by a representative of such employees whom such employer is required to recognize under this Act: *Provided further,* That nothing contained in clause (B) of this paragraph (4) shall be construed to make unlawful where not otherwise unlawful, any strike against, or a refusal to perform services for any person who has contracted or agreed with an employer to perform for such employer work which he is unable to perform because his employees are engaged in a strike not unlawful under this Act or in violation of a collective bargaining agreement, if such strike was ratified or approved by the representatives of such employees whom such employer is required to recognize under this Act, and the refusal is limited to services which would ordinarily be performed by the striking employees."

(b)(1) Section 8 of the National Labor Relations Act, as amended, is amended by adding at the end thereof the following new subsection:

"(e) It shall be an unfair labor practice for any labor organization and any employer to enter into any contract or agreement, express or implied, whereby such employer ceases or refrains or agrees to cease or refrain from handling, using, selling, transporting or otherwise dealing in any of the products of any other employer, or to cease doing business with any other person, and any collective bargaining contract entered into heretofore or hereafter containing such an agreement shall be to such extent unenforceable and void."

(2) Any contract or agreement between an employer and a labor organization heretofore or hereafter executed which is, or which calls upon anyone to engage in, an unfair labor practice under section 8(e) of the National Labor Relations Act, as amended, shall to such extent be unenforceable and void.

(c) Section 8(b) of the National Labor Relations Act, as amended, is amended by . . . adding a new paragraph as follows:

["It shall be an unfair labor practice for a labor organization or its agents—"]

"(7) to picket or cause to be picketed, or threaten to picket or cause to be picketed, any employer where an object thereof is forcing or requiring an employer to recognize or bargain with a labor organization as the representative of his employees, or forcing or requiring the employees of an employer to accept or select such labor organization as their collective bargaining representative, unless such labor organization is currently certified as the representative of such employees:

"(A) where the employer has lawfully recognized in accordance with this Act any other labor organization and a question concerning representation may not appropriately be raised under section 9(c) of this Act, or

"(B) where within the preceding twelve months a valid election under section 9(c) of this Act has been conducted, or

"(C) where the labor organization cannot demonstrate that it has a sufficient showing of interest on the part of the employees to support a petition for an election under section 9(c), or

"(D) where such picketing has been engaged in for a reasonable period of time (not exceeding thirty days) and at the expiration of which period no petition under section 9(c) has been filed. Nothing in this paragraph (7) shall be construed to permit any act which would otherwise be an unfair labor practice under this section (8)(b)."

* * *

(e) Section 303(a) of the Labor Management Relations Act, 1947, is amended to read as follows:

"(a) It shall be unlawful, for the purpose of this section only, in an industry or activity affecting commerce, for any labor organization to engage in any activity or conduct defined as an unfair labor practice in section 8(b)(4) or section 8(b)(7) of the National Labor Relations Act, as amended."

* * *

The Elliott Bill—H.R.8342

TITLE VII—AMENDMENTS TO THE LABOR-MANAGEMENT RELATIONS ACT, 1947, AS AMENDED

Federal-State Jurisdiction

Sec. 701. (a) Section 14 of the National Labor Relations Act, as amended, is amended by adding thereto the following new subsection as follows:

"(c) The Board shall assert jurisdiction over all labor disputes arising under this Act."

(b) Section 10(a) of the National Labor Relations Act, as amended, is amended by repealing the proviso thereto.

* * *

(d) Section 3(b) of such Act is amended to read as follows:

"(b)(1) The Board is authorized to delegate to any group of three or more members any or all of the powers which it may itself exercise. The Board is also authorized to delegate to its regional directors its powers under section 9 to determine the unit appropriate for the purpose of collective bargaining, to investigate and provide for hearings, and determine whether a question of representation exists, and to direct an election or take a secret ballot under subsection (c) or (e) and certify the results thereof, except that upon the filing of a request therefore with the Board by any interested person, the Board may review any action of a regional director delegated to him under this paragraph, but such a review shall not, unless specifically ordered by the Board, operate as a stay of any action taken by the regional director."

* * *

Boycotts and Recognition Picketing

(c) Section 8(b)(4)(A) and section 8(b)(4)(B) of the National Labor Relations Act, as amended, are amended to read as follows:

"(A) forcing or requiring any employer or self-employed person to join any labor or employer organization or any employer or other person (herein called secondary employer) to cease using, selling, handling, transporting, or otherwise dealing in the products of any other producer, processor, or manufacturer, or to cease doing business with any other person (herein called primary employer) unless such secondary employer is engaged as a joint venturer, prime contractor, subcontractor, or co-contractor together with the primary employer involved in a labor dispute, in a construction project or similar undertaking at the site of such concerted activity; (B) forcing or requiring any other employer to recognize or bargain with a labor organization as the representative of his employees unless such employers are engaged together as joint venturers, prime contractor and subcontractor, or co-contractors in a construction project or similar undertaking at the site of such concerted activity or unless such labor organization has been certified as the representative of such employees under the provisions of section 9;".

(d) Paragraphs (1) and (2) of section 303(a) of the Labor Management Relations Act, 1947, are amended to read as follows:

["It shall be unlawful, for the purpose of this section only, in an industry or activity affecting commerce, for any labor organization to engage in. . . ."]

"(1) forcing or requiring any employer or self-employed person to join any labor or employer organization or any employer or other person (herein called secondary employer) to cease using, selling, handling, transporting, or otherwise dealing in the products of any other producer, processor, or manufacturer, or to cease doing business with any other person (herein called primary employer) unless such secondary employer is engaged as a joint venturer, prime contractor, subcontractor, or co-contractor together with the primary employer involved in a labor dispute, in a construction project or similar undertaking at the site of such concerted activity;

"(2) forcing or requiring any other employer to recognize or bargain with a labor organization as the representative of his employees unless such employers are engaged together as joint venturers, prime contractor and subcontractor, or co-contractors in a construction project or similar undertaking at the site of such concerted activity or unless such labor organization has been certified as

the representative of such employees under the provisions of section 9 of the National Labor Relations Act, as amended;".

* * *

Sec. 704. Paragraph (4) of section 9(c) of the National Labor Relations Act, as amended, is amended to read as follows:

"(4) Notwithstanding the provisions of paragraph (1) of this subsection, the Board through its designated representative, if there is reasonable cause to believe that a question of representation affecting commerce exists, may call an informal conference of the parties upon due notice. If at such conference no agreement is reached for a consent election, and if the appropriate bargaining unit is not in dispute, and there are no substantial issues of fact or law which should be resolved by a preelection hearing, the Board, through its designated representative, may conduct an election in an appropriate unit but not before the expiration of thirty days following the date of the receipt of notice of the filing of the petition. Any party aggrieved by such proceeding may file a motion for hearing with the Board, but such motion shall not, unless specifically ordered by the Board, operate as a stay of the election. Unless such motion is granted prior to the election or is withdrawn, the Board shall afford the moving party an opportunity for hearing prior to certifying the results of such election."

Sec. 705. (a)(1) Section 8(a) of the National Labor Relations Act, as amended, is amended by . . . adding at the end thereof the following new paragraph:

["It shall be an unfair labor practice for an employer—"]

"(6) who is a common carrier subject to part II of the Interstate Commerce Act, to enter into any contract or agreement, express or implied, with a labor organization whereby such employer ceases or refrains or agrees to cease or refrain from handling, using, or transporting any of the products of any other employer, or to cease doing business with same."

(2) Section 8(b) of the National Labor Relations Act, as amended, is amended by . . . adding at the end thereof the following new paragraphs:

["It shall be an unfair labor practice for a labor organization or its agents—"]

"(7) to enter into any contract or agreement, express or implied, with any employer who is a common carrier subject to part II of the Interstate Commerce Act, whereby such employer ceases or refrains or agrees to cease or refrain from handling, using, or transporting any of the products of any other employer, or to cease doing business with same: *Provided,* That nothing in this paragraph shall be construed (A) to require any employee to enter upon the premises of an employer (other than his own employer) where such employer is engaged in a primary labor dispute, or (B) to invalidate a collective bargaining agreement which provides that such refusal shall not be cause for the discharge of such employee; and

"(8) to picket or cause to be picketed, or threaten to picket or cause to be picketed, any employer with the object of forcing or requiring an employer to recognize or bargain with a labor organization as the representative of his employees, or forcing or requiring the employees of an employer to accept or select such labor organization as their collective bargaining representative—

"(A) where the employer has recognized in accordance with this Act any other labor organization (not established, maintained, or assisted by any action defined in section 8(a) as an unfair labor practice) and a question concerning representation may not appropriately be raised under section 9(c) of this Act; or

"(B) where within the preceding nine months a valid election under section 9(c) of this Act has been conducted unless such labor organization has been certified as the representative of employees of such employer pursuant to such election or unless such labor organization has been designated or selected as a representative for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes."

(b) For the purposes of sections 8(a)(5) and 8(b)(3) of the Nationaal Labor Relations Act, as amended, to bargain collectively shall include the mutual obligation of the employer and the representative of the employees to refrain from proposing, insisting upon, or conditioning any contractual provision upon any clause violating the provisions of section 8(a)(6) and section 8(b)(7) of such Act.

(c) Any contract between an employer and a labor organization or its agents heretofore or hereafter executed which is, or which calls upon anyone to engage in, an unfair labor practice under section 8(a)(6) and section 8(a)(7) of the National Labor Relations Act, as amended, shall to such extent be unenforceable and void.

UNION MEMBER RIGHTS

Although all three bills contained measures protecting "Rights of Members of Labor Organizations," the provisions of the Landrum-Griffin Bill were strongest, with "effective sanctions" against violators. Excerpts from these sections appear below. Excerpts from the sections on discipline of members and enforcement as they appear in the Elliott and the Kennedy-Ervin bills are also reprinted.

Rights of Members of Labor Organizations: Landrum-Griffin Bill

Sec. 101. (a)(1) Equal Rights.—Every member of a labor organization shall have equal rights and privileges within such organization to nominate candidates, to vote in elections or referendums of the labor organization, to attend membership meetings, and to participate in the deliberations and voting upon the business of such meetings, subject to reasonable rules and regulations in such organization's constitution and bylaws.

(2) Freedom of Speech and Assembly.—Every member of any labor organization shall have the right to meet and assemble freely with other members; and to express any views, arguments, or opinions; and to express at meetings of the labor organization his views, upon candidates in an election of the labor organization or upon any business properly before the meeting, subject to the organization's established and reasonable rules pertaining to the conduct of meetings: *Provided,* That nothing herein shall be construed to impair the right of a labor organization to adopt and enforce reasonable rules as to the responsibility of every member toward the organization as an institution and to his refraining from conduct that would interfere with its performance of its legal or contractual obligations.

(3) Dues, Initiation Fees, and Assessments.—Except in the case of a federation of national or international labor organizations, the rates of dues and initiation fees payable by members of any labor organization in effect on the date of enactment of this Act shall not be increased, and no general or special assessment shall be levied upon such members, except—

(A) in the case of a local labor organization, (i) by majority vote by secret ballot of the members in good standing voting at a general or special membership meeting, after reasonable notice of the intention to vote upon such question, or (ii) by majority vote of the members in good standing voting in a membership referendum conducted by secret ballot; or

(B) in the case of a labor organization, other than a local labor organization or a federation of national or international labor organizations, (i) by majority vote of the delegates voting at a regular convention, or at a special convention of such labor organization held upon not less than thirty days' written notice to the principal office of each local or constituent labor organization entitled to such notice, or (ii) by majority vote of the members in good standing of such labor organization voting in a membership referendum conducted by secret ballot, or (iii) by majority vote of the members of the executive board or similar governing body of such labor organization, pursuant to express authority contained in the constitution and bylaws of such labor organization: *Provided,* That such action on the part of the executive board or similar governing body shall be effective only until the next regular convention of such labor organization.

* * *

(5) Safeguards against Improper Disciplinary Action.—No member of any labor organization may be fined, suspended, expelled, or otherwise disciplined, except for nonpayment of dues, by such organization or by any officer thereof unless such member has been (A) served with written specific charges; (B) given a reasonable time to pre-

pare his defense; (C) afforded a full and fair hearing.

(b) Any provision of the constitution and bylaws of any labor organization which is inconsistent with the provisions of this section shall be of no force or effect.

Civil Enforcement

Sec. 102. Any person whose rights secured by the provisions of this title have been infringed may bring an action in a district court of the United States for such relief as may be appropriate. Any such action against a labor organization shall be brought in the district court of the United States for the district where the alleged violation occurred, or where the principal office of such labor organization is located.

Rights of Members of Labor Organizations: Kennedy-Ervin Bill

(5) Safeguards against Improper Disciplinary Action.—No member of any such labor organization may be fined, suspended, expelled, or otherwise disciplined except for nonpayment of dues by such organization or by any officer thereof unless such member has been (A) served with written specific charges; (B) given a reasonable time to prepare his defense; (C) afforded a full and fair hearing.

(6) Any provision of the constitution and bylaws or other governing charter of any labor organization engaged in an industry affecting commerce which is inconsistent with the provisions of this section shall be of no force or effect.

Sec. 102. Any person whose rights secured by the provisions of this title have been infringed may bring an action in a district court of the United States for such relief as may be appropriate. Any such action against a labor organization shall be brought in the United States district court for the district where the alleged violation occurred, or where the headquarters of such labor organization is located.

Rights of Members of Labor Organizations: The Elliott Bill

(5) Safeguards against Improper Disciplinary Action.—Any member of any labor organization who is fined, suspended, expelled, or otherwise disciplined by a labor organization or any officer thereof, except for non-payment of dues, shall be afforded a fair hearing on written charges and other procedural safeguards as provided in the constitution and bylaws of such labor organization.

(b) Nothing in subsection (a) shall impair the authority of any labor organization to adopt and enforce disciplinary sanctions in conformance with paragraph (5) of subsection (a), and to adopt and enforce rules for the purpose of insuring proper and orderly conduct of the meetings and business of such labor organization, requiring loyal observance by every member of such labor organization of his responsibility as such toward the labor organization as an institution and toward the labor movement as a whole, or restraining conduct by any member or members that interferes with the performance by such labor organization of any of its legal or contractual obligations.

Sec. 102. (a) Any person—

(1) who is aggrieved by violation of section 101; and

(2) who has exhausted the reasonable remedies available under the constitution and bylaws of a labor organization and of any national or international labor organization with which such labor organization is affiliated, or has diligently pursued such available remedies without obtaining a final decision within six calendar months after their being invoked;

may bring a civil action in any district court of the United States having jurisdiction of the labor organization involved to prevent and restrain such violation. For purposes of this subsection, district courts of the United States shall be deemed to have jurisdiction of a labor organization in the district where the alleged violation occurred, or in which the labor organization maintains its principal office.

(b) If, upon a preponderance of the evidence after a trial upon the merits, the court finds that a violation of section 101 has occurred, the court shall have jurisdiction to restrain such violation and to grant such other and further relief as may be appropriate.

* * *

A CURRENT HISTORY Chronology covering the most important events of July, 1959, to provide a day-by-day summary of world affairs.

The Month in Review

INTERNATIONAL

African States

July 19—After a 4-day meeting, the chiefs of state of Liberia, Guinea and Ghana issue a joint declaration proposing a conference next year to set up a "community of African States."

Berlin Crisis

July 10—It is reported that the British have been reassured by Moscow that Western rights in Berlin will be maintained through any "interim agreement" between East and West.

July 12—The Foreign Ministers of France, Britain, the U.S. and the U.S.S.R. return to Geneva to resume talks on the Berlin situation. Spokesmen for the West are hopeful because of the Soviet proposal of June 19 for an all-German commission which would have an 18-month period to investigate the problems of reunification; a peace treaty; and greater communication between East and West Germany.

July 13—The Big Four foreign ministers' meeting in Geneva reopens. Andrei A. Gromyko, Soviet foreign minister, again requests that East Germany be represented. East and West Germany attend the conference in the capacity of advisers.

July 15—Gromyko declares that any Berlin settlement is conditional on Allied agreement on an all-German commission to work out reunification. Last May the foreign ministers failed to make any progress on the German problem.

July 16—Gromyko agrees to resume secret talks beginning tomorrow. U.S. Secretary of State Christian A. Herter discusses East and West proposals for a settlement. Herter suggests that U.N. personnel be stationed in East and West Berlin "to report on propaganda activities."

July 18—A Western proposal that the foreign ministers conference become a permanent organ to negotiate a German agreement is rejected by Soviet Minister Gromyko.

July 21—According to informed sources, the West is prepared to discontinue the conference shortly. In closed talks at Gromyko's villa, the Soviet foreign minister is reported to have refused to clarify certain Soviet proposals for the West.

July 22—The Soviet Union and Poland, in a joint communiqué at the end of Soviet Premier Nikita S. Khrushchev's Polish visit, declare that they will support any East German attempts to oust the Western powers from West Berlin if the situation in Berlin remains unchanged. The communiqué also charges that the Western position at the Geneva talks imperils peace.

Gromyko yields on 2 points deadlocking the conference: he declares that discussion of an interim Berlin settlement could take place simultaneously with talks to set up an all-German committee to investigate German unification; and that the Soviet Union would not take "unilateral action" on West Berlin during the committee's 18-month duration nor during the renewal of negotiations should the committee fail to agree. The Allies find the Soviet concessions unsatisfactory.

U.S. President Eisenhower declares that he has little hope for a summit conference, but that such a conference is still possible if there is any agreement at Geneva.

July 24—The Big Four foreign ministers open talks on a Berlin interim settlement and on an all-German committee.

July 25—It is reported from Geneva that the U.S. is not in favor of a summit conference on the basis of agreement reached by the foreign ministers.

July 26—It is reported that Britain's desire for a summit conference in the near future is causing unrest among French, West German and U.S. delegates.

July 27—The Western foreign ministers propose to the Soviet Union a 5-year agreement on Berlin with U.N. supervision of propaganda activities in both sectors. The

Western powers also offer to freeze their West Berlin garrison at its present strength —11,000 men (the Russians would like it reduced to 3000–4000) and retain their earlier insistence on free access to Berlin.

July 29—The Big Four foreign ministers agree to terminate talks by Wednesday, August 5, whether or not a Berlin solution is reached.

July 30—The Geneva deadlock continues. The 4 foreign ministers agree to establish a committee of experts to work out the technical aspects of a Berlin settlement.

Soviet Premier Khrushchev, in a speech published in Moscow, states that the foreign ministers in Geneva should wind up their affairs shortly so that the heads of state can meet at the summit to negotiate "difficult questions."

Disarmament

July 2—It is reported from Vienna that 25 well-known scientists from the U.S., Britain, Russia and other nations have been meeting there privately to discuss arms controls, in the fourth "pugwash" meeting.

July 10—At Geneva, scientists from the U.S., Britain and Russia suggest that orbiting satellites be utilized to detect nuclear explosions in outer space.

July 20—The U.S. and Britain offer to allow Russian citizens to fill one-third of the technical control post positions inside the U.S.S.R., in what is regarded as a major concession.

July 27—The U.S. presents a draft annex to the nuclear weapons test ban treaty proposing to set up a preparatory committee to begin preliminary studies as soon as the treaty is signed.

International Youth Festival

July 26—The Communist-sponsored International Youth Festival opens in Vienna.

Organization of American States

July 16—An O.A.S. committee recommends a foreign ministers' meeting in Santiago, Chile, in August.

July 16—Meeting at Lima, Peru, 7 nations' representatives discuss the creation of a South American free trade zone.

United Nations

July 1—Secretary General Dag Hammarskjold's report on the future of Palestinian refugees is rejected by Lebanon's Cabinet.

July 14—The U.N. Trusteeship Council expresses satisfaction with France's role in seeing that Togoland will achieve independence April 27, 1960.

India asks the U.N. General Assembly to admit Communist China to the U.N.

July 15 — Representatives from Ceylon, Cuba, Ghana, Haiti, India, Indonesia, Iran, Ireland, Malaya, the U.A.R., Uruguay and Venezuela ask the forthcoming session of the General Assembly to consider again the racist policies of the Union of South Africa.

West Europe

July 12—Premiers of Denmark, Norway, and Sweden announce that their countries are ready to join an "outer" free trade area in Europe; the Finnish Premier says his country will consider participation in the project, to be made up of Sweden, Norway, Denmark, Austria, Switzerland, Portugal and Britain. Plans for a Nordic customs union have been abandoned in favor of this broader plan. Under the "outer 7" free trade plan sponsored by Britain, each of the 7 members will reduce discrimination against the others, but each will retain its own tariff and quota regulations. In contrast, the European Economic Community (common market) nations plan a unified trading barrier against all outsiders and eventually a form of political federation.

July 16—Finance Ministers representing the six nations of the European common market open a 2-day conference on currency and tax policy coordination.

July 20—A conference opens among the cabinet ministers of the "outer seven" free trade area nations.

Spain is accepted as the eighteenth full member of the Organization for European Economic Cooperation.

July 25—Greece requests membership in the European Economic Community (common market.) The request is favorably received, and further discussion is scheduled.

ARGENTINA

July 1—Brigadier General Elbio C. Anaya is named Secretary of War, succeeding

Major General Hector Solanas Pacheco, who resigned yesterday.

July 7—Lieutenant General Arturo Ossorio, retired army officer and head of the dissident group which provoked a military crisis last month, surrenders voluntarily.

July 25—With the navy in a state of "near-mutiny," President Arturo Frondizi yields after a 2-week struggle with navy admirals, and dismisses Navy Secretary Adolfo B. Estevez, whose ouster had been demanded by the naval officers.

July 26—Rear Admiral Gaston C. Clement is named Secretary of Navy.

AUSTRIA

July 7—Chancellor Julius Raab (of the People's party) resigns, unable to form a coalition government after 2 months of effort.

July 10—The People's party and the Socialists agree to form a coalition government, thus ending the 9-week rift over the division of ministries within the Cabinet.

July 14—The composition of the new coalition government is announced: the Socialists and the People's party each take 6 of the 12 Cabinet seats.

July 16—The Raab coalition government is sworn in.

BELGIUM

Belgian Congo

July 1—The Minister for the Belgian Congo, Maurice van Hemelrijck, tells the Belgium House of Representatives that plans for self-rule for the Congo must progress.

BRITISH COMMONWEALTH

Canada

July 20—For the second day, Queen Elizabeth remains in seclusion in the Yukon because of a stomach upset that curtails her tour.

Ceylon

July 11—The Government declares that in essential industries workers must give 21 days' notice before striking.

July 18—The port strike is ended after Prime Minister S. W. R. D. Bandaranaike says he will name two committees to make suggestions about a monthly wage and allowance plan.

Ghana

July 5—Lecturing in Europe, Parliamentary Opposition Leader Kofi A. Busia is refused permission to remain absent from Parliament. Under a new law he will lose his seat if he misses more than 20 meetings *without permission*.

July 9—Ghana decides to recognize as de facto the rebel Provisional Government of Algeria.

July 10—Parliament approves a resolution saying that the Ghana-Guinea declaration of May 1 offers "a sound and workable basis for the formation of a union of independent African states."

July 11—An amendment to the Industrial Relations Act is published providing for the dissolution of all trade unions not belonging to the Trades Union Congress.

July 17—It is announced in Accra that the 350,000-member Trades Union Congress plans to boycott French wines to protest against projected French atomic testing in the Sahara.

July 27—Dr. Busia loses his National Assembly seat because of his absence.

Great Britain

July 6—The National Union of Mineworkers and the National Union of Railwaymen support the Labor party's nuclear disarmament proposals, at their annual meetings. The Labor party has proposed that all nations except the U.S.S.R. and the U.S. should abandon nuclear weapons.

July 9—The Transport and General Workers Union, largest in the country, turns down the new labor policy on nuclear disarmament.

July 11—Lord Birkett says he will serve as mediator to try to settle the printing strike.

July 13—The Government refuses a Russian proposal for nuclear and rocket disarmament in the Balkans.

July 21—Prime Minister Harold Macmillan reveals plans to set up a commission to study constitutional problems involved in setting up a stronger federation government for Rhodesia and Nyasaland.

July 28—Commons supports the Government and defeats a Labor motion critical of current policy toward Central Africa.

July 30—Parliament adjourns; a general election is expected in October.

July 31—The 6-week old printing strike is settled: included is a 4.5 per cent increase in the basic minimum wage and a 42-hour

standard work week for day workers is established.

India

July 1—The All-India Congress Committee, leading the Congress party, issues a 4-thousand word statement criticizing Communist misrule in Kerala.

Kerala's Congress party asks Indian President Rajendra Prasad to call a general election in Kerala.

July 12—After conferring with Prime Minister Jawaharlal Nehru, Kerala's Chief Minister, E. M. S. Namboodiripad, voices "full confidence" that there will be no Indian government interference in Kerala.

July 16—The Kerala authorities indefinitely postpone municipal elections formerly set for August 28.

July 17—After a four-day conference, the Indian Communist party's National Council rejects a suggestion that Kerala hold mid-term elections voluntarily.

July 18—It is reported in New Delhi that floods in Kashmir and Jammu have created a desperate situation.

July 24—The Kerala government withdraws recognition from private primary schools.

July 27—The Communists map out protest meetings throughout India as a demonstration against possible intervention by India in Kerala.

July 28—It is revealed in New Delhi that India and Pakistan have reached a trade agreement on coal, cement and jute.

July 31—President Prasad issues a proclamation revealing that he has taken over the functions of the Kerala government and dissolving the state's legislative assembly.

Malaya

July 21—The first Malayan parliamentary elections are held for 104 seats; there are 258 contestants.

Pakistan

July 2—The Government reveals that 1,662 Government employees have been disciplined in the past six months for misconduct, corruption or inefficiency.

The U.S. Development Loan Fund announces basic approval and commitment of funds for a loan of $1.75 million to East Pakistan for inland waterways.

July 6—The U.S. Development Loan Fund reveals plans for a $4.8 million loan for Karachi airport.

July 10—The U.S. State Department announces the signing of a loan agreement for $2 million for East Pakistan.

July 20—Canada agrees to supply Pakistan with technical equipment worth $5.6 million for a power link between Dacca and the port of Chittagong.

July 22—India and Pakistan open trade discussions (see *India,* July 28).

BRITISH EMPIRE

Cyprus

July 29—Former Greek underground Cypriote leader Lieut. Gen. George Grivas says he is "dissociating" himself from the Cyprus agreements which, he says, were signed "without my being consulted."

July 30—Archbishop Makarios maintains his support for the British-Turkish-Greek agreements on Cyprus.

Jamaica

July 28—Elections are held for the 45 members of a new House of Representatives.

July 29—Chief Minister Norman W. Manley's People's National Party wins a majority of 11 in the 45-seat House; Manley keeps the post he has filled for four and a half years.

Kenya

July 19—The Kenya Federation of Labor approves a resolution to boycott South African goods.

July 24—A nonracial national party, the Kenya National party, is formed in Nairobi.

Nigeria

July 27—The British Colonial Office announces plans to lend Nigeria £15 million ($42 million) for development programs.

Rhodesia and Nyasaland, Federation of

July 4—Prime Minister Roy Welensky arrives for conferences in London.

July 23—A British Commission of Inquiry finds no evidence that African nationalists plotted to massacre European settlers last February and March, although the Colonial Office charged that there was plotting for violence.

Singapore

July 16—The Singapore Legislative Assembly abolishes the City Council, absorbing its functions into the state government.

July 19—The Government orders the replacement of all American books provided

by the U.S. Information Center by "books of Malayan content."

BURMA

July 6—After 6 years of refusing U.S. assistance, Burma agrees to accept $37 million in aid for 2 projects: the construction of a highway and of dormitories at the University of Rangoon. The agreement is subject to U.S. congressional appropriation for $30 million of the promised amount.

CHINA (The People's Republic)

July 5—Chinese Nationalists report that Nationalist Air Force sabre jets, attacked by MIG's while on a routine patrol near Matsu, offshore Nationalist island, were successful against their attackers.

July 17—The Peking radio denies that Nationalist planes won a victory in a recent fight over the Taiwan Strait.

July 19—The Yugoslav Communist newspaper *Borba* reports that factory workers in Red China are being transferred back to their farms and villages. Industrial plants are reported being closed because of idleness.

July 27—Communists and Nationalist Chinese on the offshore islands fire on one another.

CUBA

July 1—A search for Major Pedro Luis Diaz Lanz (former head of the air force), who resigned yesterday after accusing the government and army of Communist infiltration, is conducted.

July 2—An anti-government plot is discovered in Havana.

July 3—Premier Fidel Castro asserts that he will not tolerate any interference by a foreign power or organization. The Organization of American States is scheduled to discuss Dominican charges that Cuba and Venezuela were both responsible for the attempted rebellion in the Dominican Republic last month.

July 8—Major Diaz is allowed to enter the U.S.

July 12—Premier Fidel Castro accuses the U.S. of interfering in Cuban affairs by granting asylum to Diaz.

July 17—Premier Castro resigns because of "moral differences" with President Manuel Urrutia.

President Urrutia resigns after a fight in which Castro accused him of "near treason."

The revolutionary government refuses to accept the resignation of Fidel Castro. Dr. Olsvaldo Dorticos Torrado succeeds to the presidency.

July 26—Castro returns to the premiership.

DOMINICAN REPUBLIC

July 1—Dominican troops hunt out some 20 rebels still believed at large, who were part of a rebel force which invaded the Dominican Republic 2 weeks ago. The rebels have refused to surrender.

July 2—It is disclosed that Dominican planes and ships are guarding the Haitian coast as part of a common defense effort between Haiti and the Dominican Republic to hold off any attempted invasions from abroad.

July 6—The O.A.S. (Organization of American States) again postpones taking any action on the Dominican plea for help in the event of attack by Venezuela and Cuba.

July 11—The Dominican Ambassador declares that his country has not dropped charges against Cuba and Venezuela before the O.A.S., but has only dropped the request for "an organ of consultation" to be set up to investigate the charges.

ETHIOPIA

July 5—Emperor Haile Selassie arrives in the U.S.S.R. for a 2-week visit.

July 13—A Soviet loan of 400 million rubles ($100 million) to Ethiopia is announced.

FRANCE

July 1—The Constitutional Council supports the Executive by upholding strict limitations on the working rules of the Parliament.

July 8—Because of French-U.S. failure to agree on terms for nuclear stockpiles, 200 U.S. planes are being removed from French to British or West German bases.

July 9—U.S. Secretary of State Christian A. Herter voices the hope that U.S. President Dwight D. Eisenhower and French President Charles de Gaulle will soon settle their differences. France wants to be consulted on Western military strategy and to be included in nuclear weapons control.

July 11—Socialist party leader Guy Mollet, at the Party's national Congress, urges Socialists to support de Gaulle's foreign

and colonial policies, but not the domestic program.

July 14—The 170th anniversary of Bastille Day is celebrated.

July 15—The 284-man Senate (mainly a consultative organ) of the French Community is seated.

July 17—The Senate elects Gaston Monnerville president.

July 21—It is reported that Secretary Herter of the U.S. has asked France to reconsider her refusal to accept nuclear stockpiles on her soil without joint control.

It is also reported that Nato Commander General Lauris Norstad has delayed the removal of 200 U.S. planes from French bases.

July 26—Premier Michel Debré announces that the first French A-bomb will be tested within "a few months."

July 27—The first parliamentary session of the Fifth French Republic adjourns until October 6.

July 31—U.N. Secretary General Dag Hammarskjold meets with President de Gaulle and other top-ranking government leaders. It is believed that they are discussing the Algerian question.

FRENCH COMMUNITY, THE

Algeria

June 10—The 21-member Afro-Asian bloc in the U.N., in a letter to the Security Council president, criticizes French excesses in Algeria, and the entire Algerian situation as "a threat to international peace."

July 14—The General Assembly is asked by the African-Asian states to debate the Algerian conflict.

July 23—A French military offensive, including 1000 paratroopers, in the Kabylia area is begun.

July 24—The 20,000-man French troop attack against the rebel stronghold in Kabylia continues.

Cameroon

July 18—A 50-man rebel attack on a police post is defeated.

Congo Republic

July 3—A general amnesty releases Jacques Opangault, the leader of the opposition African Socialist Movement (M.S.A.) party, who has been imprisoned since February.

July 4—The head of the Democratic Union for the Defense of African Interests, Fulbert Youlou, forms a new government including 2 M.S.A. members.

Malgache Republic (Madagascar)

July 4—French President Charles de Gaulle arrives on a visit. He will lead a 2-day meeting of the Executive Council of the French Community.

July 7—French Foreign Minister Maurice Couve de Murville tells the Executive Council at its opening meeting that members of the French Community will soon be able to represent themselves in international organizations.

Mali Federation

July 30—A news report from Senegal reveals that Senegalese and French Sudanese leaders met at an African Federalist party congress earlier this month to discuss the organization of the Federation, which was formed last April. It is also reported that France recognized the Mali Federation last week.

GERMANY (Federal Republic of)

July 1—The Christian Democratic Union candidate and Minister of Agriculture since 1953, Heinrich Luebke, is elected president. The 43 West Berlin votes in the special election assembly are not handled separately, as had been requested earlier by the Western powers.

July 5—The Saar is returned to Germany by France. At midnight it will become economically integrated with West Germany.

July 10—Minister of Economy Ludwig Erhard urges the West to "impose stronger controls over trading with the Soviet bloc" if no East-West agreement is reached soon.

July 28—It is announced that the 50,000th East German refugee has fled to West Berlin since the beginning of the year.

HONDURAS

July 12—A revolt breaks out in Tegucigalpa, the Honduran capital.

July 14—The army gains control of the capital city, Tegucigalpa, but sporadic resistance continues.

HUNGARY

July 6—U.S. diplomats in Budapest are restricted to a 40-mile area surrounding the city. No other Western officials have been thus restricted.

July 7—The U.S. State Department restricts travel by Hungarian delegates in Washington and New York.

July 16—The Central Statistical Office releases industrial production figures revealing a 9 per cent increase in 1959 over the first 6 months of 1958.

INDONESIA

July 5—President Sukarno re-establishes the 1945 Constitution under which he has absolute power, and dissolves the Constituent Assembly, which refused to approve the restoration of the 1945 constitution last month.

July 6—Premier Djuanda's Cabinet resigns. Sukarno declares that he will not exercise dictatorial powers under the 1945 charter.

July 8—A new 10-man "inner" Cabinet with Sukarno in the premiership is announced: Djuanda is Finance Minister and "First Minister."

July 12—Sukarno appoints 23 deputy ministers to his Cabinet.

July 22—The Parliament votes to continue under the 1945 Constitution.

July 28—Indonesia accepts a $17.5 million Soviet loan.

IRAQ

July 13—Premier Abdul Karim Kassim adds 4 new ministries to his Cabinet.

July 14—The first anniversary of the Iraqi republic following the overthrow of King Faisal is celebrated. Premier Abdul Karim Kassim declares that elections for parliament will be held within a year.

July 17—The first 1200 peasants are given land under the agrarian reform program.

July 19—It is reported from Lebanon that at the northeast Iraqi oil center at Kirkuk, Communist demonstrations last week almost erupted into civil war.

July 20—It is reported that rebels in Kirkuk have been bombed by Iraqi planes. It is also reported that the government has regained control of Kirkuk.

July 21—It is reported by the Baghdad radio that Soviet Premier Khrushchev has invited Premier Kassim to visit the Soviet Union.

IRELAND, REPUBLIC OF

July 9—Prime Minister Sean Lemass proposes a federation with Northern Ireland.

ISRAEL

July 1—The Knesset (Parliament) approves Premier David Ben-Gurion's proposed sale of grenade launchers to West Germany. However, 2 parties in the coalition government vote against the sale, signalling the resignation of the premier.

July 5—Premier Ben-Gurion resigns, thus ending the 4-party coalition government.

July 6—President Itzhak Ben-Zvi opens discussion on forming a new government.

July 21—Ben-Gurion abandons his attempt to try to form a new cabinet. The 4-party coalition will remain as a caretaker government until elections are held in the fall.

JAPAN

July 25—It is reported that the government has denounced the Japan Council against Atomic and Hydrogen Bombs, (preparing its fifth annual international rally against nuclear weapons) because of Communist infiltration.

JORDAN

July 21—Jordan receives a $2.8 million payment in British aid, half of a £2 million (or $5.6 million) grant.

KOREA, SOUTH

July 30—South Korea asks Japan for the reestablishment of diplomatic relations, broken off when Japan insisted on repatriating to North Korea any Korean nationals desiring repatriation.

July 31—Cho Bong Am, Communist leader, is executed. Cho ran against President Syngman Rhee in the 1952 and 1956 elections.

LAOS

July 30—It is reported by the Laotian government that Communist rebels have opened attacks on army posts in north Laos near the North Vietnamese border. The terrorists are believed to be a combination of former Pathet Lao (Communist) "irregulars" and North Vietnamese soldiers, a total of 1,000. The government has adopted emergency measures.

July 31—Reports disclose that fighting between Communist guerrillas and Laotian troops has spread from Samneua Province to Phongsaly Province. It is also reported that a Laotian communiqué yesterday charged North Vietnam with assisting the rebels.

LIBERIA

July 16—President Sekou Touré of Guinea, Prime Minister Kwame Nkrumah of

Ghana, and Liberian President William V. S. Tubman meet in Liberia to discuss African unity. (See also *International, African States.*)

MOROCCO

July 2—The U.S. announces that $40 million has been granted for Moroccan economic development.

July 13—The U.A.R. and Morocco agree to increase trade between their countries to $4.4 million dollars, a 56 per cent increase.

NEPAL

July 24—Nepal's first elected parliament is opened by King Mahendra.

PHILIPPINES, THE

July 4—The Philippine peso is devalued.

POLAND

July 14—Soviet Premier Nikita S. Khrushchev arrives in Poland on an official visit.

July 21—A speech by Khrushchev criticizing the commune system before Polish peasants last week is reprinted in the Polish paper *Trybuna Ludu.*

SPAIN (See also *International, O.E.E.C.*)

July 15—It is reported that Spain will receive soon $400 million in credits from the O.E.E.C., the International Monetary Fund, private U.S. banks, and the U.S. government.

July 18—The twenty-third year since the overthrow of the Republican government is marked.

SUDAN

July 21—It is reported that the Manaqil Canal has been put into operation and will irrigate some 600,000 acres of desert land.

THAILAND

July 6—Communist chief Supachai Srisati is executed.

TIBET

July 3—The Peking radio discloses that at a recent meeting of the Preparatory Committee for the Tibetan Autonomous Region, a land reform program including the abolition of serfdom has been discussed.

TURKEY

July 10—The U.S. Development Loan Fund approves a $7 million loan for Turkey.

U.S.S.R., THE (See also *International, Berlin Crisis,* and *U.S. Foreign Policy.*)

July 1—A Washington source reports that Soviet Premier Nikita S. Khrushchev has "indicated he regarded Frol R. Kozlov, First Deputy Premier. . .as his successor. . . ."

July 3—First Deputy Premier Frol R. Kozlov, visiting the U.S., arrives in California. He tells California Governor Edmund Brown that the Russians will "even support the Pope if he's for peace."

July 4—U.S. Ambassador Llewellyn E. Thompson, Jr., makes a television broadcast to Muscovites to appeal for better Russian-American relations.

July 6—A Soviet announcement reports that on June 2 a single stage intermediate range ballistic missile containing 2 dogs and a rabbit was shot into the upper atmosphere. The animals returned safely to earth. The over 4,400-pound missile is the heaviest space capsule yet fired.

July 8—Visiting U.S. governors report that Premier Nikita S. Khrushchev told them yesterday that he is in favor of visiting the U.S. and of U.S. President Eisenhower visiting the Soviet Union.

July 13—A Soviet First Deputy Premier, Frol R. Kozlov, leaves for Moscow after a 2-week visit in the U.S.

A Tass broadcast reveals that on June 10 the Soviet Union launched a 4,840 pound rocket (similar to that fired June 2), carrying 2 dogs. This is the fourth space trip which one of the dogs, Courageous, has survived.

July 14—The Central Statistical Board releases production figures for the first half of 1959: steel production rose over 2 million tons to 29,300,000 tons.

July 15—On his friendship tour throughout Poland Premier Khrushchev pokes fun at "religious feelings" and the Church. (See also *Poland.*)

July 16—Premier Khrushchev states that his country would never begin a war. He also warns the West against starting a war because of the Soviet military capacity.

July 20—Notes to the Danish, Swedish and Norwegian governments from the Soviet Union are made public: Khrushchev has cancelled his trip scheduled for August because of "anti-Soviet" feeling in these countries.

A *New York Times* study on Soviet sci-

ence reports that the Soviet Union is making rapid scientific strides and may soon catch up with the U.S. and even surpass American "scientific growth."

July 23—U.S. Vice President Richard M. Nixon is welcomed to Moscow by Deputy Premier Frol R. Kozlov. Premier Khrushchev criticizes U.S. observance and establishment of "Captive Nations Week."

July 24—Nixon formally opens the American National Exhibition in Moscow. In touring the exhibit with Khrushchev, Nixon urges him to cooperate to make the Geneva talks a success. Nixon and Khrushchev freely debate the differences between their respective systems of government.

July 26—Nixon and Khrushchev discuss Soviet-American relations for 6 hours at the Soviet Premier's home.

July 27—Nixon visits Leningrad.

July 29—Nixon is heckled by Soviet workers on a visit to an industrial plant at Sverdlovsk.

July 31—U. S. Vice-President Richard Nixon returns to Moscow. Nixon has visited Leningrad and 2 closed cities, Norosibirsk and Sverdlovsk.

UNITED ARAB REPUBLIC

July 3—An $8.4 million U.S. aid program for the U.A.R. is listed in detail.

July 8—U.A.R. voters elect 40,000 delegates to local councils of the National Union, an organization likened to a town meeting to allow wider political participation in this single-party state.

July 19—A $331 million national defense budget for the next year is reported.

President Nasser's decision to give 2 million Egyptian pounds to the Algerian rebel government is announced.

July 21—Jordan-U.A.R. relations are restored: the Syrian-Jordanian border is reopened and diplomatic relations between Jordan and the U.A.R. will be resumed shortly.

July 26—Nasser says that his country is willing to fight a "decisive battle" with Israel.

UNITED STATES

Agriculture

July 10—The Department of Agriculture reports that a record crop of 4.2 billion bushels of corn is expected for 1959, compared to the previous record of 3.8 billion bushels in 1958. Corn is presently supported at $1.12 a bushel (instead of the former $1.18 under the old parity system) but acreage controls have been removed.

July 16—The President brings the International Wheat Agreement into force by signing it after Senate ratification.

July 23—According to unofficial reports, the wheat growers' referendum finds 72 per cent favoring continuing the federal wheat program. Support prices for the 1960 crop will therefore be set at $1.77 a bushel.

Civil Rights

July 15—The New York State Supreme Court rules that the Arabian-American Oil Company may not discriminate against Jews to comply with Saudi Arabian bans against them.

July 16—The New York State Commission against Discrimination will appeal the Aramco decision in the "best interests of the United States in matters affecting national security."

The Economy

July 1—At a news conference, President Eisenhower says that inflation will "certainly" be a 1960 election issue.

July 14—The Labor Department reports that in June, 67,342,000 Americans were employed, a record total for jobs.

July 16—The Treasury offers two new securities paying a record 4.75 per cent interest, the highest government interest rate paid since 1929.

Foreign Policy

July 1—President Eisenhower discusses the Berlin crisis with Frol R. Kozlov, a Russian First Deputy Premier visiting in Washington. (See *International, Berlin Crisis.*)

July 8—Commenting at his news conference on Soviet Premier Nikita Khrushchev's discussion with Averell Harriman, President Eisenhower says that Khrushchev's threatening tone is "not the way to reach peaceful solutions."

July 11—The U.S. refuses to accept a Russian proposal for a ban on nuclear weapons and rockets in the Balkans.

July 12—Kozlov ends a 16-day visit to the U.S. with a press conference at which he predicts a Socialist society for the U.S.

July 13—The Joint Congressional Committee on Atomic Energy rejects resolutions vetoing agreements to give nuclear

weapons information to seven Nato allies: Britain, France, Canada, the Netherlands, West Germany, Turkey and Greece. Nuclear warheads remain under U.S. control in the Nato countries; information about design and fabrication of weapons and their use is to be shared. The agreement with Britain is the most extensive; the agreement with France is the most limited, providing only for the transfer of enriched uranium for a land-based prototype submarine power plant.

July 17—President Eisenhower proclaims "Captive Nations Week."

July 21—The U.S. National Academy of Sciences and the Soviet scientific academy reveal agreements to exchange scientists and publications and organize joint scientific symposia.

July 25—Vice President Richard Nixon, visiting in Moscow, says he plans a 4-day visit to Poland. (See also the *U.S.S.R.*).

July 27—Nixon persuades Russian officials to let Vice Admiral Hyman G. Rickover inspect the atomic icebreaker Lenin.

Nixon reports to the President that he has made "no substantial progress" in resolving Russian-American differences over Berlin.

July 28—In Siberia, Nixon pleads for unrestricted travel in cities in the U.S.S.R. and in the U.S.

July 29—President Eisenhower appoints Boston lawyer Charles A. Coolidge as chief of a new study of "comprehensive and partial measures of arms control and reduction which, if internationally agreed, would contribute to the achievement of United States national security objectives."

July 30—After a 3-week tour of the U.S.S.R. nine Governors ask President Eisenhower to visit the Soviet Union and to invite Soviet Premier Khrushchev to visit the U.S.

Government

July 4—The original 49-star flag is raised at Independence Hall, Philadelphia, and then sent to Alaska, as the 49-star emblem becomes official.

President Eisenhower lays the cornerstone of the new East wing of the Capitol.

July 7—The President vetoes the housing bill, declaring it "excessive" and "inflationary." Exclusive of public housing, the bill provided spending authority of $1.375 billion instead of the $810 million the President requested. Federal subsidies for low-rent public housing would have brought the total authorization to $2.2 billion.

July 15—In Washington, the U.S. Court of Claims votes 3 to 2 that the Dixon-Yates private power contract is valid.

President Eisenhower says that Secretary of State Christian Herter has sent "completely negative" reports on a suggestion that Ambassador to the Philippines Charles E. Bohlen be appointed as Herter's top advisor on Russian problems.

July 17—White House Press Secretary James Hagerty issues a statement declaring that the President's remarks on Bohlen were misunderstood; the President "has a great deal of confidence in Mr. Bohlen."

July 21—President Eisenhower names Under Secretary of Commerce Frederick H. Mueller as Secretary of Commerce.

July 22—Congress passes a mutual security authorization of $3,556,200,000 for fiscal 1960, $353,200,000 less than the President requested.

July 24—The Federal Communications Commission tells the Bell Telephone System to reduce long-distance rates on calls of more than 300 miles.

July 24—Alabama Senator John Sparkman (Democrat), chairman of the Senate Small Business Committee, declares that 50 per cent of the Government's defense contracts go to 20 companies; more than two-thirds of the prime contracts (in dollar value) are awarded "without a vestige of competition."

The power of the Federal Trade Commission and 4 other regulatory agencies to enforce cease and desist orders against Clayton anti-trust law violators is increased by legislation signed by the President. This is the only one of five anti-trust measures requested by the President that has passed.

July 27—The House accepts an approved Senate bill providing U.S. participation in a Latin American development bank.

July 30—Governor-elect William F. Quinn of Hawaii tentatively names September 1

as the opening for the first Hawaiian State Legislature.

Labor

July 15—The steel strike begins; 500 thousand steelworkers stop work.

President Eisenhower says there is no justification for invoking the Taft-Hartley cooling-off period provisions in the steel strike at this time.

July 21—The three big aluminum companies reject union wage demands advanced by the United Steelworkers, who represent some 30,500 aluminum workers.

July 23—James Mitchell says that he will use "all the vast fact finding facilities of the Federal Government to collect and analyze all available data on past and present steel disputes."

July 28—The U.S. Steel Corporation reports that its net profits in the first six months of 1959 reached a record $254,948,496, just over 10 cents on every dollar of sales.

The United Steelworkers and the major aluminum producers agree to extend present contracts until 30 days after a steel settlement; pay rises agreed on at that time will be retroactive to August 1.

July 30—Steelworkers' President David J. McDonald suggests that the federal government become more actively involved in steel negotiations.

Bethlehem Steel Corporation reveals that its profits for the first half of 1959 reached a record $123,158,829, nearly two and one-half times the earnings in the first half of 1958, a period of recession.

July 31—The United Steelworkers of America agree that copper miners should continue to work on a day-to-day basis for a "reasonable" length of time while negotiations for a copper mining contract continue.

Military Policy

July 1—General Lyman L. Lemnitzer succeeds General Maxwell D. Taylor as Chief of Staff of the Army.

July 2—A fire destroys equipment in an underground area of the Pentagon.

July 3—Pentagon fire losses first estimated at $30 million are estimated at about $6 million in electronic computer machinery. Air Force classified documents are also destroyed. All machinery was fully insured.

July 9—Vice Admiral Hyman G. Rickover agrees to give names of retired military officers who have tried to influence him in the awarding of government contracts to a House Armed Services subcommittee investigating charges of influence peddling in the defense industry. The names are to be held in confidence unless an inquiry becomes necessary.

July 16—A Juno II rocket is exploded 100 feet from its launching pad at Cape Canaveral by the range safety officer because of failure of the rocket's "guidance brain."

President Eisenhower names physicist John H. Williams to the Atomic Energy Commission, replacing Willard F. Libby.

July 17—Naval Assistant Secretary Cecil P. Milne admits that in 14 cases bad errors were made in defense contract negotiations at an overcharge to the Defense Department of some $12 million.

July 20—Fleet Admiral William D. Leahy dies at the age of 83.

July 21—It is revealed in Washington that all naval planes patrolling within range of Communist shores are to be ready to fire. The order follows the MIG fighter attack on an American patrol plane over the Sea of Japan June 16.

July 23—A commercial U.S. jet flies from New York to Moscow nonstop in a record 8 hours and 53 minutes.

July 27—Chairman of the Joint Chiefs of Staff General Nathan F. Twining returns to active duty.

Politics

July 1—The President tells reporters that he intends to remain neutral in the political struggle for the Republican presidential nomination.

July 2—Speaker of the House Sam Rayburn complains that "The Republican National Committee and the Republican leaders and the President keep on talking about spending regardless of the facts" of congressional reductions in administrative appropriation requests.

July 3—Louisiana's ailing Governor Earl K. Long reveals plans for a speaking tour to campaign for re-election.

July 5—Democratic National Chairman Paul M. Butler says that Democratic congressional leaders are too conservative and

will be faced with a "tough situation in 1960."

July 6—Democratic congressional leaders criticize Butler's statement about their record.

July 8—President Eisenhower tells a press conference that religion should not be a criterion for presidential availability.

July 14—A "Humphrey for President Committee" is formed to support the nomination of Minnesota Senator Hubert H. Humphrey.

In Virginia's primary election for 140 state legislature seats, unofficial returns show that Governor J. Lindsay Almond Jr.'s moderates win at least 2 additional Senate seats and lose some 3 house seats; Almond's moderate defeats Senator Harry F. Byrd's "massive resistance" candidate in the key suburb of Alexandria.

July 15—California Governor Edmund G. Brown reveals his decision to join the Democratic Advisory Committee.

July 23—It is reported in Albany that Governor Nelson Rockefeller of New York has secret pledges of support for the 1960 presidential nomination from state party leaders.

July 24—After a conference, Paul M. Butler and Democratic congressional leaders end their disagreement.

July 28—Oregon Senator Richard L. Neuberger supports Adlai Stevenson for the 1960 Democratic presidential nomination.

July 29—Ninety-three per cent of Hawaii's registered voters go to the polls in the island's first election as a state; a Republican victory brings the governorship to former Territorial Governor William F. Quinn as Republicans take three of the five major offices at issue.

Segregation

July 1—Federal Judge Ben C. Connally tells the Houston Texas school board to offer a public school integration plan by August 17.

July 9—Federal District Judge Frank A. Hooper tells Atlanta, Georgia, school officials to submit a desegregation plan by December 1.

July 9—The Charlottesville (Va.) City School Board approves segregation by sex in some grades of Charlottesville schools when desegregation begins in the fall.

July 10—The president of Memphis (Tennessee) State University says that the university will admit qualified Negroes in the fall of 1959.

July 15—Federal Judge J. Skekky Wright tells the New Orleans (La.) School Board to submit a desegregation plan by March 1, 1960.

After the Democratic primary elections, Virginia's Governor J. Lindsay Almond asks winners to work with him on the school problem. (See also *Politics.*)

July 18—It is reported in Atlanta that former Governor Ellis G. Arnall will seek election once again in 1962 unless Georgia schools remain open, on a program of "maintaining public education in Georgia with as much segregation as we can have under the law."

July 21—Five Negro students register at Central High School in Little Rock, Arkansas, without incident. The city's four public high schools have been ordered by a federal court to open in September under a program of phased desegregation.

VENEZUELA (See also *Dominican Republic*)

July 3—The Venezuelan Foreign Minister denies charges that his country had any part in the recent Dominican Republic invasion.

VIETNAM, SOUTH

July 9—It is announced that Communist terrorists have attacked and killed 3 members of the 8-man U.S. Military Advisory Group serving with the South Vietnamese Army at Bienhoa. Three Vietnamese were also killed.

YEMEN

July 5—Yemen accuses the British of bombing the Beida area last Friday.

YUGOSLAVIA

July 3—It is announced that Czech-Yugoslav talks concerning a $75 million credit to Yugoslavia, $57 million of which was not made available, have been broken off.

July 6—The Soviet and Yugoslav governments resume talks concerning the Soviet suspension of a $285 million credit granted to Yugoslavia in 1956.

July 15—The U.S. Development Loan Fund announces a $15 million loan for a Yugoslav hydroelectric project. Details are still to be negotiated.